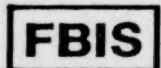


JPRS-LAM-85-016

14 February 1985

Latin America Report



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

14 February 1985

LATIN AMERICA REPORT

CONTENTS

INTER-AMERICAN AFFAIRS

- St Lucia Paper Cites U.S. Reports on Cuban Bases in Guyana
(THE WEEKEND VOICE, 22 Dec 84) 1
- Colombian Minister Arrives in Quito for Trade Talks
(Radio Quito, 14 Jan 85) 4

ARGENTINA

- Economists Anticipate Gradual Economic Upturn for 1985
(LA NACION, 30 Dec 84) 5
- Grinspun Optimistic
Slow Drop in Inflation
Three Opinions on 1985 Economy

BAHAMAS

- Pindling, PLP Attacked, But Apparently Maintain Control
(THE TRIBUNE, various dates) 9
- Isaacs Radio Broadcast, by Anthony Forbes
TRIBUNE Assessment, by Athena Damianos
Senate Discussion, by Colin Higgins

BELIZE

- UDP Election Win, New Government Appointments Reviewed
(Various sources, various dates) 16
- Tabulated Voting Results
New Cabinet
Senate Appointments
Senate Officers
House Leaders
TPP Deference to UDP
Agenda for UDP, by Alejandro Vernon
PUP Post-Election Meeting
PUP Officials' Remarks

PUP Post-Mortem	
UDP Disruption	
Governor General's Speech	
AMANDALA Outlines Editorial Policy Vis-a-Vis New Government (AMANDALA, Undated Christmas Issue)	25
Sugar Target for 1984-85 Set; Export Totals Noted (THE BELIZE TIMES, 23 Dec 84)	27
Central Bank Reports on Economy for First Half of 1984 (CANA, 27 Dec 84)	28
Briefs	
PUP Expulsion	30
Oil Drilling	30
BOLIVIA	
COB Charges Government With Breaking Agreement (ULTIMA HORA, 21 Dec 84)	31
Business Spokesman Scores COB, Government (HOY, 21 Dec 84)	33
Plans To Increase Tin Production Attract Foreign Firms (HOY, 22 Dec 84)	35
Oil Exploration Termed Urgent To Stave Off Product Imports (HOY, 27 Dec 84)	36
Briefs	
EEC \$10 Million Aid	37
Overdue Foreign Debt	37
BRITISH VIRGIN ISLANDS	
Romney Appraises Ties With U.S. Virgin Islands at Fete (C. B. Romney; THE ISLANDS SUN, 10 Nov 84)	38
Absence of Dollar Exchange Advantage Affects Tourism (Vernon Pickering; THE ISLAND SUN, 1 Dec 84)	40
Formal Association of BVI With OECS Inaugurated (THE ISLAND SUN, 1 Dec 84)	42
Police Information to Media Labeled Unfair (Editorial; THE ISLAND SUN, 15 Dec 84)	43

CUBA

1987 Pan American Games Discussed at Press Conference (BOHEMIA, No 46, 16 Nov 84)	44
Price Markings Now Obligatory on Retail Consumer Goods (GRANMA, 16 Nov 84)	51
New Savings Plan, Services To Be Offered (GRANMA, 23 Nov 84)	52
Traffic Deaths at Highest Level in 25 Years (GRANMA, 30 Nov 84)	53
Briefs	
First Tourist Flight From Vienna	55

ECUADOR

Briefs	
Congress Establishes Four Committees	56
Febres Cordero on Wage Increases	56
Break in at ID Offices	57

MEXICO

Metropolitan Area Cost of Living Raw Data (EL DIA, various dates)	58
Eggs: 250-300 Pesos	
Beans at 300 Pesos	
Tomatoes, Chiles, Other Vegetables	
Beef, Pork	
Three Qualities of Beef	
'Abuses' by Peddlers	
Varieties, Brands of Milk	
Bread Varieties	
Chihuahua: PAN-Controlled Cities Denied Funding From State (EL NORTE, 8 Jan 85)	63
Sosa Martinez Selected To Lead Oil Workers' Union (Humberto Abanda, Jaime Contreras; EXCELSIOR, 7 Dec 84)	64
PSUM Head Makes Case for Electoral Alliance of Left (EXCELSIOR, 13 Dec 84)	65
Gomez, Gascon Factional Splits Dominate 10th PSUM CC Plenum (UNOMASUNO, 15, 17 Dec 84)	66
Absences Force Late Start	
Several Agreements Reached, by Roberto Vizcaino, Roberto Santiago	

ST CHRISTOPHER-NEVIS

Simmonds in Miami Speech Calls for Greater U.S. Aid (Kennedy Alphonso Simmonds; THE DEMOCRAT, 15 Dec 84)	69
Paper Calls for Adherence to CARICOM Rules of Origin (Editorial; THE DEMOCRAT, 17 Nov 84)	74
Assembly Approves 1985 Budget; Details Reported (THE DEMOCRAT, 15 Dec 84)	76
Simmonds Discusses Sugar Technology in Brazil (THE DEMOCRAT, 1 Dec 84)	78
Briefs Taiwan Disaster Relief	79

TRINIDAD AND TOBAGO

Chambers, Robinson Talk; Robinson Later Meets Press (Clevon Raphael; TRINIDAD GUARDIAN, 20 Dec 84)	80
Panday Warns Government of Consequences of Tax Increase (TRINIDAD GUARDIAN, 14 Dec 84)	82
Sugar Workers Back Panday, Tell Him To Ignore Opposition (EXPRESS, 15 Dec 84)	83
Panday Christmas Message One of Hope for Nation's Future (TRINIDAD GUARDIAN, 21 Dec 84)	84
Joint Negotiating Team Slams Government Bargaining Position (TRINIDAD GUARDIAN, 18 Dec 84)	85
Business, Press Hit Government for EC-0, Other Inaction (TRINIDAD GUARDIAN, 21 Dec 84)	87
Private-Sector Criticism GUARDIAN Attack, Editorial	
Chambers' Plans for Balancing '85 Budget Reported (Davan Maharaj; EXPRESS, 17 Dec 84)	90
Briefs PNM on Unitary State	91
Arms Find at Airport	91

TURKS AND CAICOS

Briefs Tourist Board Changes	92
Airport Repairs	92
Extended Air Service	92

VENEZUELA

Leandro Mora, de Armas on Restoration of Economic Guarantees (EL NACIONAL, 18 Dec 84)	93
Leandro Mora's Views, by Mario Villegas CONSECOMERCIO's Views	
New Laws Reportedly Needed To Restore Economic Guarantees (Bernardo Fischer; EL UNIVERSAL, 19 Dec 84)	97
MAS Labor Leaders on CTV Electoral Systems, 7th National Plan (EL NACIONAL, 18 Dec 84)	101
Canache Mata on Caldera's Statements, Lusinchi's Policies (Mario Villegas; EL NACIONAL, 19 Dec 84)	103
COPEI Leader Criticizes Administration's 1984 Performance (Alirio Bolivar; EL UNIVERSAL, 21 Dec 84)	106
Former Energy Minister on OPEC, FIV, Other Issues (Ramon Hernandez; EL NACIONAL, 21 Dec 84)	109
Completion of Road Along Venezuelan Gulf Urged (EL NACIONAL, 18 Dec 84)	113
Zulia Governor, Military Officials Survey Border Region (EL NACIONAL, 19 Dec 84)	116
Briefs	
Bank Advisory Committee Visit	118
COPEI Congressman on Economic Policy	118
Border Post Reactivated	119

INTER-AMERICAN AFFAIRS

ST LUCIA PAPER CITES U.S. REPORTS ON CUBAN BASES IN GUYANA

Castries THE WEEKEND VOICE in English 22 Dec 84 pp 5, 9

[Text] Ever since 1981, reports coming out of big-city newspapers in the United States have been revealing the existence in the Guyana hinterland of Soviet-Cuban military complexes. Many of these have only now been brought to the attention of THE VOICE and we have compiled a special report.

For many years now, Guyana has been plagued with social, political and economic problems. It is virtually a one-party state Under President — for life, Forbes Burnham. Reportedly brought to power with the help of the American C.I.A., he has for years flirted with the Marxist countries. Last year, he opposed the American led invasion of Grenada, and supposedly warned the Cubans of the decision taken by other Caribbean States to invite American intervention in Grenada. Conditions in the Cooperative republic have led many Guyanese to flee from their homeland, to find refuge in other Caribbean territories as well as in other parts of the world.

The notorious Jim Jones episode, the assassination of Walter Rodney, the power of the infamous House of Israel led by fugitive David Hill alias Rabbi Edward Washington, harassment of the Indian population have all led the world and the Caribbean to look on Guyana as a country with serious problems. It is only a matter of time before a terrible explosion happens within this once advanced Caribbean and South American country.

Now, according to the newspaper reports, it seems as though Forbes Burnham and his party the P.N.C. are playing a bigger and more dangerous game, involving the Soviet-Cuban alliance.

According to the Walter Riley, writing in the ultra-conservative Sportlight newspaper of November 23rd 1981, he obtained a copy of an "intelligence digest compiled by a free Cuban intelligence network and Venezuelan military intelligence agents." The digest was accompanied by a map revealing "three locations of secret training camps in Essequibo that are" (at that time) "being run by Castro's revolutionary instructors." The camps were located at Tumatumari, Konawaruk and Kimbia. They were all, according to that 1981 report, being used for training in revolutionary activity. According to Riley and the Sportlight, a Soviet-Cuban initiated war was to be fought over the disputed territory of Essequibo, located between the Western border of Guyana and the Eastern border of Venezuela.

On January 18th, 1982, another exclusive story by Walter Riley in the Sportlight newspaper carried photographs reportedly taken by "high level intelligence operatives," of the Cuban military training camps in Guyana. According to this report of January 1982, the target of all this increased activity was neighbouring oil-rich Venezuela. Riley claimed that the military camps were established in the disputed Essequibo territory and that this was a "flagrant violation" of the 'Protocol of Port-of-Spain' treaty negotiated between Venezuela and Guyana on June 18th 1970 at Port-of-Spain, Trinidad. Among the further violations of the treaty reported by Riley were "86 air fields in Essequibo" which were then "recently constructed or improved for military objectives."

In The News World of Friday March 12th, 1982, Virginia Prewett and William R. Mizelle reported that the Soviet-Cuban

partnership had built in the Latin-American region "strategic air facilities that directly hazard U.S. targets." The site of these Soviet-Cuban controlled facilities were "Cuba, Nicaragua, Grenada, and Guyana." According to these reporters, these facilities "blanket the entire Caribbean Basin transited by U.S. oil-supply ship lanes from the Mid-East, Alaska and Venezuela. They also put Soviet-built aircraft within minutes of strategic refineries in Venezuela, Aruba, Curacao, Trinidad, the Virgin Islands and Puerto Rico, as well as a vast oil tank farm on the tiny island of St. Lucia." (Obviously the Hess Oil facility at Cul-de-Sac.)

Writing in the *Washington Times* of Friday, May 6th, 1983, Virginia Prewett reported that she had seen aerial photos of 10 military-type air strips being built in the wilds of backland Guyana, Venezuela's leftist neighbour. Hemisphere intelligence services have confirmed their construction."

In October 1983, the revolution on Grenada destroyed itself. Maurice Bishop was murdered, and the U.S. — Caribbean forces invaded Grenada. Virginia Prewett, in the *Washington Times* of October 28th, 1983, commented, "the murdered Maurice Bishop's Grenada was Guyana's revolutionary twin. And in Guyana's backlands, unknown to its people, the Soviet-Cuban axis has developed a hidden hornets' nest that could be used in Moscow's present nuclear threat against U.S. territory."

Considering the possible use of those airstrips in the Guyanese interior, she speculates that "if the Soviets planned to make good on their threat to put missiles within ten minutes of U.S. territory, they would hesitate to emplace them where U.S. counterstrikes would wipe out heavy investment, as in Cuba, Nicaragua or their strategic Grenadian Gibraltar. But long-range Soviet bombers with 'stand-off' nuclear missiles appearing among the nest of backland airstrips in Guyana's wilds would risk counterfire only on worthless scrubland."

On Friday, November 18th, 1983, writing again in the *Washington Times*, Prewett continued to follow the Guyana story in an article headlined, "About those Guyana airstrips." She asked, "Why does South America's poor, small (950,000 pop.) socialist Guyana, which has no airforce, have a dozen asphalted 6,000 to 8,000 foot airstrips in a near empty remote scrubland area the size of Alabama? And why have Cubans built them?"

Stephen Green, of the *New York City Tribune*, October 18th, 1984, in a commentary on Grenada, warned that any "euphoria (over Grenada) should be tempered by knowledge of events in the Eastern Caribbean and bordering regions." He wrote that "in Guyana, just west of Suriname, 400 Cuban military advisers are training up to 6,000 Guyanese troops at three camps in the interior."

The *Objective Guyana*, of May 1984, a monthly publication of the Conservative Party of Guyana, quotes from both a Brazilian and Washington newspaper to report the presence of 15,000 Cuban soldier-workers on the Soviet-Cuban military complex in the forested hinterland of Guyana.

These reports in U.S. papers have been consistent. We are not aware of similar coverage and concern in Caribbean newspapers. Admittedly, the long lines caused by food shortages, the reports of political repression, the numbers of Guyanese entering other Caribbean territories, have been of more immediate interest to us. But if these reports of Soviet-Cuban activity are well founded, and if the suggestion that the hinterland of Guyana is going to be used as emplacements for Soviet missiles aimed at the United States, then we in the Eastern Caribbean, neighbours of Guyana, (our CARICOM partner, have to take notice now.

The questions that have to be asked include; (1) Why do airbases need to be built where there is no population while airbases remain small in the population centres? (2) Why do such large airbases exist which are far larger than the needs of any present Guyanese aircraft? (3) Why is travel restricted for many Guyanese and almost all foreigners to Guyana's interior? (4) Why are stock-piles of Cuban and Soviet weapons and munitions being laid up in the interior?

Until we received clippings of these reports we had not had such detailed reporting on the military build-up in the hinterland of Guyana. Is Guyana the new Grenada among us?

If as these reports suggest, the Soviets and Cubans are planning to place nuclear missiles in the Guyana interior, aimed at the U.S., then the Eastern Caribbean becomes a nuclear war zone. Are our governments aware of all this? What are the full facts? If they are aware, when will they begin working through CARICOM and other international agencies to put pressure on Forbes Burnham? Is it not time that the Caribbean public become more aware of the grave danger that such aggressive activity poses to us all.

As we receive more reports concerning this Guyanese situation, we shall bring them to our readers.

CSO: 3298/291

INTER-AMERICAN AFFAIRS

COLOMBIAN MINISTER ARRIVES IN QUITO FOR TRADE TALKS

PA151752 Quito Radio Quito in Spanish 2300 GMT 14 Jan 85

[Text] Colombian Development Minister Ivan Duque Escobar arrived in Quito today to meet with Xavier Neira, Ecuadorean industry, commerce, and integration minister, and discuss several topics connected with trade between the two countries. Here is what he said:

[Begin recording] [Duque Escobar] In the first place, my visit is fundamentally due to a commitment I made in October when Minister Neira visited Colombia to bring our trade negotiations to fruition and allow our relations to remain at the level of utmost cordiality and normalcy.

[Unidentified reporter] During your [words indistinct] are you going to hold any concrete discussions regarding Ecuador's position, (?which is not shared) by Colombia because, as you know, Ecuador is aiming at a renovation of the integration system. What is Colombia's position, specifically, and what are you going to discuss with respect to this specific topic, Mr Minister?

[Duque Escobar] First, the spirit of integration [words indistinct] among the countries that make up the Andean Pact and I understand this specific topic will be discussed at the meeting to be held by Ecuadorean President Leon Febres Cordero and Colombian President Belisario Betancur in February in [word indistinct]. [End recording]

CSO: 3348/327

ARGENTINA

ECONOMISTS ANTICIPATE GRADUAL ECONOMIC UPTURN FOR 1985

Grinspun Optimistic

Buenos Aires LA NACION in Spanish 30 Dec 84 sec 3 p 1

[Text] The minister of economy, Dr Bernardo Grinspun, has been notoriously optimistic since the announcement of the agreement with the IMF. He confided to LA NACION the government's opinion of prospects for the new year.

Following are the minister's predictions:

We are going to have an organized, financed external sector in contrast to the \$3.6 billion in debts due when an IMF agreement fell through.

We already have a budget with controlled expenditures. The fiscal deficit will be reduced to half of what we projected for 1984 last January. (This means that the minister estimates a deficit of 5 percent.)

We now have a reverse situation as to real resources. At the beginning of 1984, they only represented 20 percent of the needs.

We will have a large harvest, a record harvest.

If we manage to solve the situation with the Paris Club, we will have considerable investments.

Public investments will increase 30 percent in real terms and they will be organized and well directed. In 1984 we had to continue projects already started.

This year we will have resources for the housing plan which will mobilize all the basic industries tied to construction.

The adjustment problems in the public sector will be solved.

The provincial budgets will be balanced like the national budget. We will study how to do it: financing mechanisms, etc.

The public sector will shrink as the return to private ownership begins.

We will continue to remove controls on prices and, when that is not possible, we will agree on prices which is the stage before decontrol.

The rate of exchange is not going to turn backward but will continue adjusting itself to the rise in domestic prices less international inflation.

I must admit that there was no progress in the financial sector in 1984. I consider the financial sector to be the group of people and entities that participate in the money market. Its reorganization will be a priority objective this year.

Finally, Dr Grinspun emphasized that there will not be a recessive policy and this cannot be read into the texts of the international agreements signed.

Slow Drop in Inflation

Buenos Aires LA NACION in Spanish 30 Dec 84 sec 3 p 1

[Text] Economist Jose Angel Martelliti told LA NACION that because there is no definite program, it is risky to give an opinion on the prospects for the main economic factors in 1985.

However, based on the environment that the guidelines agreed on with the IMF imply, the following general estimates can be made:

A limited growth of the real PBI [Gross Domestic Product] of about 2 percent per year.

Deterioration in the consumption levels (a real -1.5 percent per year) with a tendency toward recurrent recovery derived from delayed wage adjustments.

An improvement in the levels of real investment (5 percent per year) beginning in the second half of the year, mainly attributable to the construction sector.

Slow deceleration of the inflationary process (400 percent per year) within a context of recurrent fluctuations in the relative price structure.

Higher tariff adjustments than the evolution of prices, to maintain their real levels and gradual recuperation of the existing arrears.

Maintenance of the production volumes of grains in the 1984/85 harvest with a decrease in wheat compensated for by a slight increase in forage and a new record in oleaginous crops.

A major drop in the reconstitution cycle of cattle stock.

The eventual recovery of the level of industrial activity beginning in the second half of 1985, especially by sectors with export possibilities.

A moderate increase in the positive balance of the trade balance (about \$4 billion).

Shrinkage of the deficit of the public sector through higher taxes that would become the main adjustment variable.

Achievement of a restrictive monetary policy with a tendency toward flexibility in the second half of the year.

Tendency toward overevaluation in the exchange rate.

Although strict compliance with the guidelines agreed on with the IMF would imply limited growth of economic activity, the emphasis that the strategy to promote exports and internal investment would have would apparently permit a slow but steady economic recovery for 1985 after an inevitable adjustment process during the first 6 months.

Three Opinions on 1985 Economy

Buenos Aires LA NACION in Spanish 30 Dec 84 sec 3 p 1

		1	2	3	4	5	6	7	8	9	10
	PBI	Consumo	Invers.	Ind. Sect. Públ.	Salario	Dólar ofic. (1)	Precios (1)	Interes (1)(2)	Deficit fiscal (3)	Export. (4)	Import. (4)
11											
G. F. Macroeconomía	1er. Tr. -5.5	--	--	--	--	16.6	16.3	20.5	6.9	1994	1189
	2º Tr. -4.0					16.0	14.0	18.6	7.9	2623	1189
	3er. Tr. -2.5					14.0	16.0	17.3	4.8	2478	1189
	4º Tr. -1.0					16.3	15.3	17.0	6.3	1705	1190
12	'85 -3.3					481	458	654	6.5	8800	4757
Carta Económica I (5)	1er. sem -2.0					1er. Tr. 16.9	15.1	19	5.9	2350	1140
	2º sem. +5.0					2º Tr. 15.0	13.1	17	7.1	2500	1060
						3er. Tr. 8.2	8.2	11	3.8	2250	1460
						4º Tr. 7.9	7.9	11	5.3	2200	1540
13	'85 +1.5	-1.2	+10.0	-5	-17	'85 285	250	405	5.3	9300	5200
Carta Económica II (5)	1er sem -2.0					1er. Tr. 19.0	18.5	20	7.1	2350	1140
	2º sem. +1.5					2º Tr. 16.4	15.9	17	8.3	2450	1060
						3er. Tr. 12.9	12.5	14	5.4	2200	1460
						4º Tr. 12.3	11.8	13	7.6	2150	1540
	'85 -0.3	-2.0	0	-5	-2	'85 442	415	592	7.1	9150	5200
J. A. Martelliti	'85 +2.0	-1.5	+5	--	--	--	400	--	--	8900	4900

Key:

- | | |
|-----------------------------|---------------------------------------|
| 1. Consumption | 8. Fiscal deficit |
| 2. Investment | 9. Exports |
| 3. Wage | 10. Imports |
| 4. Industrial/Public Sector | 11. Federal Government Macroeconomics |
| 5. Official dollar | 12. Economic Letter I |
| 6. Prices | 13. Economic Letter II |
| 7. Interest | |

(1) Monthly rates for each quarter

(2) Inter-enterprise market or drafts

(3) Concerning the PBI, the Federal Government Macroeconomics refers to the "fiscal deficit of the treasury" and the Economic Letter to the "operational deficit plus interests" (IMF definition).

(4) In millions of dollars

(5) Economic Letter I forecasts that "the government will comply literally with the IMF and do it with conviction." Economic Letter II predicts that "the government will comply with the IMF, but with renegotiating and questioning."

7717

CSO: 3348/276

BAHAMAS

PINDLING, PLP ATTACKED, BUT APPARENTLY MAINTAIN CONTROL

Isaacs Radio Broadcast

Nassau THE TRIBUNE in English 29 Dec 84 pp 1, 11

[Article by Anthony Forbes]

[Text] THE greatest shocks the Bahamas suffered this year have been the twin revelations of epidemic drug abuse among Bahamians and the incredible corruption in the PLP as a Government and a party. Official Opposition Leader Kendal Isaacs told the nation in a radio broadcast Friday night.

Mr Isaacs, also leader of the Free National Movement, invited Bahamians to conclude that the Bahamas is in the throes of its worst scandal in modern times and that the Prime Minister and the PLP have lost the moral authority to govern the nation.

He said that the PLP Government has abused and betrayed the mandate and trust given them by the people at the polls in 1982, and should hold another general election "as soon as practicable" so that Bahamians can begin the "herculean task of reconstructing the shattered foundations of our society."

Mr Isaacs, MP for Delaporte and a former Attorney General, was speaking to the nation in his yearly 15-minute address in which he also criticized ZNS Radio and Television for practising rank discrimination against the FNM, and touched on the problems of unemployment and crime.

"But the greatest shocks we have had to suffer in 1984 have been the twin revelations of epidemic drug abuse among our people and the incredible corruption in the PLP as a Government and as a party," the Opposition Leader declared.

Referring to the problem of drug abuse, especially among the young people, Mr Isaacs said that the nation has been better educated this year as to the widespread use of cocaine and heroin and their devastating affect on its victims.

"There is not sufficient time to go into any details on this but suffice it to say that drug abuse is threatening literally to destroy our society or at least a large percentage of our young generation," Mr Isaacs said.

"The country will have to pay a high price for this disease which has been allowed to develop amongst us while the PLP Government did little or nothing to combat it," Mr Isaacs said.

He charged that the PLP Government has failed properly to equip the Police Force effectively to combat drug trafficking in and through the Bahamas, and has failed to take adequate measures for the rehabilitation of drug abuse victims, and in fact seems hardly to have recognized the problem.

"As recent as in his 1985 budget communication earlier this month, the Prime Minister indicated that he is still not fully aware of the problem and that he has no real plans to deal with it," Mr Isaacs said.

He said that in a single paragraph in the communication, the Prime Minister acknowledges that drug abuse has become "a problem of national proportions" and that the resources at Sandilands Rehabilitation Centre have been stretched beyond physical limits.

"What is needed, of course, is immediate action to deal with drug abuse and particularly the provision of emergency accommodations to relieve the pressure on Sandilands," he said.

According to Mr Isaacs, community-minded persons have for some time now been doing what they can, such as the drug hot line and efforts at rehabilitation.

"And this without adequate support from the Government who have the ultimate responsibility for cleaning up this terrible mess," the opposition leader said.

Moving on to the findings by the Commission of Inquiry, which reported on December 14, Mr Isaacs told the nation: "You and the world know that

the Commission of Inquiry on drugs has finally reported and that there is little or no comfort to be found in the 400-plus pages of that document."

"We already knew that the Commission would have to report that the islands of the Bahamas from north to south had for years been used for drug smuggling by such notorious characters as Carlos 'Joe' Leher, Luis 'Kojak' Garcia, Lamar Chester and others. And so it did," Mr Isaacs noted.

"These characters were allowed to come and go with incredible ease in and through our islands corrupting our values, corrupting our citizens, corrupting our law enforcement agencies," he said.

"Their corrupting influence spread across the nation from little children in hitherto tranquil and virtually crime-free Family Island settlements right up through the top ranks of the Royal Bahamas Police Force and even into the PLP Cabinet," he added.

Mr Isaacs said that former Minister of Agriculture, Fisheries and Local Government, Mr George Smith, MP for Rolleville, Exuma, who was given the title of "Honourable" for life while the Commission was sitting and pointedly notified of the honour, has been found by the Commission to have "corruptly accepted funds from known drug smugglers."

"The Commission has recommended that the Attorney General review the evidence relating to Mr Smith to determine what further action may be appropriate in the circumstances," Mr Isaacs said.

He said that the Commission

has also found that former Minister of Youth, Sports and Community Affairs, Mr Kendal Nottage, MP for St Agnes, had been fronting for American crime figure Michael Salvatore Caruana but left it open as to whether Mr Nottage realized this or not.

He said that the Commission has also suggested that the Attorney General might wish to consider what action may be appropriate in the case of Everett Bannister whose denial of any wrong-doing they have found to be lacking in credibility.

"They found that Bannister had received money from Garcia and was present when drug smuggler Ed Ward produced an attache case containing \$100,000 which was retained by Mr Smith," the opposition leader told the nation.

He said that former Senator Andrew "Dud" Maynard and Bimini MP George Weech also attracted unfavourable comment from the commissioners.

Mr Isaacs told the nation that two of the commissioners said that with regard to certain unidentified deposits made to Prime Minister Sir Lynden Pindling's bank account, "there is no evidence before the Commission as to whether or not these unidentified funds were drug related."

He noted that the other commissioner, the Rt Rev Bishop Drexel Gomez went a step further declaring in a minority report that he found it impossible to say that the payments were all non-drug related.

"My colleagues and I join others at home and abroad who have congratulated his Lordship

on his courage in taking the stand which he did," Mr Isaacs said.

He said that the FNM will be holding a series of public meetings in the New Year to deal with these grave matters and other issues such as the acceptance by Sir Lynden of large sums of money from Everett Bannister and others, including part of the proceeds from the sale of the Paradise Island Bridge.

"However, I invite you to conclude that the Bahamas is in its worst scandal in modern times and that the Prime Minister and the PLP have lost the moral authority to govern," he said.

"They have betrayed the mandate and the trust given to them by the Bahamian people in 1982 and they should go back to the people in general elections as soon as practicable," he said.

"This is the only way the Bahamas can be rid of the stigma brought upon our fair name. This is the only way we can let the world and our young generation know that we are not a corrupt nation.

"This is the only way we can begin the herculean task of reconstructing the shattered foundations of our society. This is the only way we can restore respect for our national institutions and give our people the hope they so desperately need.

"I invite you to join my colleagues and me in our efforts to bring these things to pass beginning in the year of our Lord, 1985," the opposition leader declared.

TRIBUNE Assessment

Nassau THE TRIBUNE in English 31 Dec 84 p 1

[Article by Athena Damianos]

[Text] Prime Minister Lynden Pindling appears to be at the wheel of the PLP "Ship of State" as 1984--the year Government corruption rocked the Bahamas--draws to an end.

Although the party has been badly weakened as a result of evidence surfacing before the Commission of Inquiry, Sir Lynden appears to have once again successfully propagated the myth that he is synonymous with the PLP.

Ill feelings towards the Prime Minister do exist among PLP backbenchers. However these backbenchers, who as MPs are paid approximately \$21,000 a year, are afraid that just as Sir Lynden "created" them, he can destroy them. The Prime Minister will continue to try to surround himself with men who rely on his good will to survive.

The weekend firings of former PLP chairman Bremarie "Bulla" Hanna, and three others--Kendal "Funky" Demeritte, Donald Tynes and American Thomas Robinson--from Government's Cable Beach Casino appears to be in keeping with Sir Lynden's "tow the line or get out" philosophy. Messrs Hanna and Demeritte are aligned with the three PLP dissidents, Arthur Hanna, Hubert Ingraham and Perry Christie. Mr Demeritte was one of Mr Christie's campaign "generals" in the 1982 elections.

The purpose of the casino firings is seen by some as being two-fold: As a symbol of punishment for not supporting Sir Lynden and as a message to wavering party members to "tow the line or else."

It is highly doubtful that the Prime Minister will allow a secret ballot to be conducted to determine whether he should continue on as party leader. This opportunity will probably be denied as long as there are not sufficient politicians prepared to speak their minds and face the consequences.

There are also those within the PLP who, although disillusioned with the Pindling administration, would rather support him than give the Opposition FNM an opportunity to wrest control from Government. In addition, as illogical as it may seem, the PLP over the years has been successful in convincing many that the FNM is merely a "front" for the UBP.

Today, the most pressing question is whether or not the Attorney General, Paul Adderley, intends to review certain cases recommended by the Commission with a view to prosecuting.

THE TRIBUNE asked Mr Adderley to give official answers to five questions in a letter dated December 18. It has been confirmed that Mr Adderley received the letter, but to date he has refused to acknowledge it. He was asked:

- (1) Do you intend to review the cases that have been referred to you by the Commission of Inquiry? How will this review be instituted?
- (2) Will you be looking into the question of possible violation of the Prevention of Bribery Act?
- (3) Has a complaint been filed against any Parliamentarian by the Public Disclosure Commission? If so, could you indicate who? What action will be taken in connection with any complaints(s)? Will it include a public review?
- (4) If the Attorney General's office does decide to prosecute, could you indicate a date?
- (5) Would you please indicate what grounds Mr Robert Ellicott, Chief Counsel, had for recommending that the Commission hearings be reconvened.

THE TRIBUNE has received signals that Government officials are not likely to be prosecuted, although an attempt may be made to do so. The difficulty of producing hard evidence and getting some American witnesses to testify in an open Bahamian court, are likely to be used as the reasons for not prosecuting. On the other hand, action may be taken against some civil servants, such as policemen, who figured prominently in the Commission hearings and against whom hard evidence is more easily obtainable.

Mr Adderley, who is also Minister of Education, could be fired on a day's notice, if the Prime Minister so desired.

Mr Adderley told the PLP Convention in October that he had been assured of the Prime Minister's "complete support" should he have to make an unpopular decision after the Commission report came out and he found himself in the position where he might have to prosecute some of his colleagues. He told the PLP convention in October that if it were necessary he would make the unpopular decision, regardless of the political consequences.

Since then, the Commission's report, tabled in Parliament December 14, found that:

--Former Cabinet Minister George Smith "corruptly accepted funds from known drug smugglers."

--Kendal Nottage--"whether he realized it or not"--fronted for an American crime figure.

--Former PLP Senator Andrew "Dud" Maynard, brother of the Minister of Tourism, accepted money from an American drug smuggler.

--While two of the three Commissioners cleared the Prime Minister on allegations of accepting drug payoffs, the third, Bishop Drexel Gomez, found it impossible to say that all the money received by Sir Lynden was not drug related because of the suspicious circumstances.

"It's been a trying year for the party and it's caused us to carry out some in-depth self-examination," PLP chairman Sean McWeeney admitted today, "We've made some mistakes and we're trying to profit from them. We will make a fresh new approach in 1985. We have to get on top of the problems that have become beyond management--the crime problem, unemployment, the sagging economy."

Mr McWeeney does not feel that the party has been weakened as a result of Commission disclosures.

"I think that it's really tested the metal of the party. The Convention was a testing ground. A lot of people expected the party to fall to pieces. A lot of people were surprised at the spirit of maturity with which we were able to submerge our differences. I think that there was a feeling of gratification that we were able to come through these storms."

Mr McWeeney is of the opinion that the Prime Minister emerged from the Convention stronger than when he entered.

"The Convention made that abundantly clear," he said, referring to Sir Lynden's reelection as party leader.

Mr McWeeney agreed that there are some grumblings against the Prime Minister among backbenchers.

"It's not anything new. There has always been dissention is healthy and the party is big enough and mature enough to (put up with it). When it gets out of hand, we have to deal with it."

Mr McWeeney has not heard anything mentioned about holding either a by-election or general elections.

He agreed that investors' confidence has been affected because of the "bashing we took in the foreign press."

But, he said, "I feel really optimistic about (the future). I think the Government, with the streamlined Cabinet, has cut the red tape and this has been reflected in a revitalised, administrative approach...."

He said that the Foreign Investment Board, of which Sir Lynden is chairman, is an efficient vehicle for foreign investment.

"I'm optimistic," he said again.

However, it is unlikely that 1985 will bring an end to the problems facing Lynden Oscar Pindling.

Nassau THE TRIBUNE in English 3 Jan 85 pp 9, 8

[Article by Colin Higgins]

[Text] GOVERNMENT Leader in the Senate Paul Adderley heatedly objected to statements about Prime Minister Sir Lynden Pindling and relations with the US during an address by Senate Opposition Leader Henry Bostwick in the upper chamber last month.

"I am not going to sit here and allow him to tell lies to this chamber!" Senator Adderley - also Minister of Education and Attorney General - shouted.

In the course of an almost five hour session - while Government senators praised the 1985 Budget and congratulated Finance Minister Sir Lynden - Senator Bostwick launched a stinging attack on the head of state and his Budget communication.

Thirteen bills were passed as Government's 1985 Budget received final Parliamentary approval.

Five resolutions - including one allowing payment of \$2.6 million to the Treasurer by the Bahamas Electricity Corporation for purchase of the Government owned Eleuthera Power and Light Company Ltd - were agreed to.

The Opposition Free National Movement Senate Leader said Sir Lynden was "the last man in the world" he wanted to handle his money.

He referred to Commission of Inquiry evidence that the Prime Minister spent eight times more than his earnings over seven years.

"He has dangerous spending habits and I don't know that I can trust this Minister with my money or the people's money," he said.

Senator Bostwick also called Sir Lynden a "madman" and a "budding dictator" before reaching the issue of US/Bahamas relations.

He said the Opposition has been telling Sir Lynden that the Bahamas "is almost totally

dependent" on the US. But over the years the Prime Minister "has heaped abuse upon abuse" on the Americans.

"He's intimidated Washington! He's been rude!" he said.

Government Senator Berlin Pratt told the Opposition Free National Movement member: "You know that's not true."

Senator Bostwick said the Prime Minister "has caused us to have to go in the back door" in dealing with America. He suggested senators question the Bahamian in the street who tries to get an American visa.

Senator Adderley rose and quietly took exception to the remark. He said Senator Bostwick was entering areas which he (Adderley) knew more about than the Opposition member. "What he is saying is just not true," the Government Senate Leader said.

As Senator Bostwick pressed him to explain exactly what was untrue, Senator Adderley became increasingly agitated.

"He is misleading this chamber and I am not going to sit in this chamber and allow him to mislead!" Senator Adderley said. He said Senator Bostwick was speaking to "his newspaper."

Mr Adderley claimed that the newspaper "to which he (Bostwick) is speaking" has misquoted him (Adderley) for 12 months.

"I'm not going to sit here and allow him to tell lies to this chamber!"

The Attorney General said the situation at the US Embassy is the result of a law which came into effect two years ago.

"He can hold all of the warped and perverted opinions as he likes but he's not going to sit here in this chamber and tell lies!"

Senator Bostwick said the Prime Minister's "behaviour" has affected Bahamians seeking

to enter the US and Senator Adderley replied: "That's a lie!"

He repeated that this was the result of the two-year-old law which requires entrants to show means of financial support. "He's here talking about morality and telling lies?" he asked in relation to the Opposition senator.

Senator Bostwick was about to reply, paused, then said he was about to address Senator Adderley as the Minister of Foreign Affairs but just remembered he had been "fired" from the post.

He said he assumed Senator Adderley spoke in his position as "former" Foreign Minister.

Senate President Edward Coleby stated that Senator Adderley was the only Government minister present and as such could address the issue.

Senator Bostwick drew the President's attention to the "unparliamentary" language used by the Government member about him but commented: "I'm accustomed to his demeanour, it doesn't affect me."

He said the Bahamas is experiencing problems with its neighbour and this is the result of "the Prime Minister's posture" towards that neighbour. "That is my opinion," he said.

Senator Adderley stated: "When it comes to demeanour, I got a right to say anything about a man who call me dog and I'll do that anywhere!"

Senator Bostwick said he would not "vex" his friend but - noting Senator Adderley maintained he didn't call him a liar but said he was telling lies - responded that he wouldn't call Senator Adderley a dog but would say he had doggyish ways.

When the Free National Movement member remarked that "it's becoming personal now," the ruling Progressive

Liberal Party member replied:
"He's right about that."

"Some of us are under severe pressure," said Senator Bostwick.

Senator Adderley agreed, adding that he took no one calling him dog. He said there is a level of decency which should not be passed but said: "Let him have his freedom of speech."

Senator Bostwick said he was glad his counterpart got the matter "off his chest." He stated: "At the end of the day I am going to wish him a merry Christmas."

"I ain't gon' wish you a merry Christmas," Senator Adderley replied.

"You're going to change your mind," said Senator Bostwick.

"No boy, no," responded the Government Senate Leader.

However at the end of the Senate session - following an impassioned plea from PLP Senator Merlene Hanna to "let brotherly and sisterly love continue" - Senator Adderley agreed that "God is love."

"Maybe she was telling me that I should love Senator Bostwick," he observed.

Referring to Christ chasing the money changers from the temple, Senator Adderley said: "Sometimes you must use a brutal method to deal with evil."

The Senate adjourned *sine die*.

BELIZE

UDP ELECTION WIN, NEW GOVERNMENT APPOINTMENTS REVIEWED

Tabulated Voting Results

Belize City THE REPORTER in English 23 Dec 84 p 4

[Text] 1984 Election Results (complete)

<u>Division</u>	<u>Candidate</u>	<u>Won</u>	<u>Lost</u>	<u>Reg.</u>	<u>Polled</u>	<u>Per- cent</u>	<u>Spoilt</u>	<u>Win mar- gin</u>
Caribbean Shores	M. Esquivel (UDP)	997						
	L. Humphreys (PUP)		501	2210	1510	68	10	496
	E. Meighan (IND)		02					
Freetown	D. Aikman (UDP)	876						
	G. Price (PUP)		570	2151	1472	68	26	306
Pickstock	J. Usher (PUP)	789						
	R. Vasquez (UDP)		736	2241	1547	69	22	53
Fort George	D. Lindo (UDP)	784						
	S. Musa (PUP)		727	2294	1528	67	17	57
Albert	P. Goldson (UDP)	954						
	R. Chavez (PUP)		415	2180	1381	63	12	539
Queen's Sq.	D. Barrow (UDP)	1112						
	R. Fonseca (PUP)		540	2544	1673	70	21	572
Mesop	C. Thompson (UDP)	1029						
	M. Palacio (PUP)		449	2460	1504	61	26	580
Lake Ind.	H. Elrington (UDP)	899						
	C. Diaz (PUP)		795	2460	1717	70	23	104
Collet	F. Lizama (UDP)	723						
	R. Montejo (PUP)		618	2112	1367	65	26	105

[continued]

Port Loyola	H. Young (UDP)	950						
	E. Staine (PUP)		559	2452	1540	63	31	391
Rural South	L. Sylvestre (PUP)	997						
	J. Marin (UDP)		692	2471	1732	70	43	305
Rural North	S. Rhaburn (UDP)	858						
	F. Hunter (PUP)		665	2106	1534	73	11	193
Cayo North	S. Fernandez (UDP)	1271						
	O. Harrison (PUP)		869	2711	2159	80	19	402
Cayo Central	D. Juan (UDP)	1033						
	A. Shoman (PUP)		911					
	H. Silva (IND)		134	2539	2093	82	15	122
Cayo West	J.G. Mena (UDP)	904						
	M. Alamilla (PUP)		706	2042	1654	81	44	198
Cayo South	S. Waight (PUP)	861						
	H. Flowers (UDP)		825	2277	1723	76	37	36
Corozal N.	V. Castillo (PUP)	906						
	R. Quan (UDP)		898	2157	1828	85	24	08
Corozal S/W	Asterio Ortega (UDP)	1120						
	E. Puk (PUP)		896	2299	2035	89	19	224
Corozal Bay	I. Alpuche (UDP)	1104						
	G. Garcia (PUP)		834	2563	1955	76	17	270
Corozal S/E	F. Marin (PUP)	1196						
	C. Campos (UDP)		988	2458	2212	90	28	208
O. Walk Central	L. Carballo (UDP)	969						
	E. Briceno (PUP)		853	2148	1843	86	21	116
O.W. North	R. Campos (UDP)	1107						
	M. Tapia (PUP)		733	2052	1859	91	19	374
O.W. East	E. Aragon (UDP)	1226						
	R. Cervantez (PUP)		782	2364	2031	86	23	444
O.W. South	O. Pech (UDP)	1096						
	G. Pech (PUP)		1051	2316	2150	93	30	45
Toledo East	C. Wagner (UDP)	927						
	L. Usher (PUP)		728	2293	1683	73	28	199
Toledo West	B. Ah (UDP)	732						
	V. Choco (PUP)		722	2080	1503	72	49	10

[continued]

Dangriga	S. Sampson (PUP)	682						
	H. Anderson (UDP)		432					
	T. Aranda (CDP)		385					
	A. Arthurs		77	2368	1584	67	08	250
St.Ck. West	D. McKoy (PUP)	604						
	T. Castillo (UDP)		569	2098	1524	73	28	35
	S. Lewis (CDP)		323					

Totals	
Votes Registered	64,447
Votes Cast	48,327
Votes Spoilt	677
Votes for UDP	25,784
Votes for PUP	20,959
Votes for CDP	708
Votes for Ind.	213
UDP percentage	53.4
PUP percentage	43.4
Percentage who vote	75

New Cabinet

Belize City THE REPORTER in English 23 Dec 84 p 9

[Text] Prime Minister Manuel Esquivel this week announced the composition of the Cabinet which will serve the new government. It is to be an eleven-man body, headed by the Prime Minister who has taken on the portfolios of Finance and Defence. The other portfolios have been distributed as follows:

Mr Curl Thompson--Deputy Prime Minister and Minister of Home Affairs
 Mr Charles Wagner--Minister of Works
 Mr Dean Lindo--Minister of Natural Resources
 Mr Philip Goldson--Minister of Local Government, Social Services and Community Development
 Mr Dean Barrow--Minister of Foreign Affairs and Economic Development
 Mr Israel Alpuche--Minister of Energy and Communications
 Mr Hubert Elrington--Attorney General and Minister of Housing
 Mr Edward Juan--Minister of Tourism, Transportation, Education and Youth
 Mr Elodio Aragon--Minister of Health, Labour and Sports
 Mr Derek Aikman--Minister of Tourism, Transportation, Education and Youth
 Three Deputy Ministers have also been appointed to work with the Ministries of Health, Labour & Sports, Works and Tourism, Education and Transportation, but these Deputy Ministers will not be members of Cabinet.

The Deputy Ministers are:

Mr Reuben Campos, assistant to Minister Elodio Aragon in the Ministry of Health, Labour and Sports.
 Mr Sam Rhaburn, assistant to Minister Charles Wagner in the Ministry of Works
 Mr Henry Young, assistant to Minister Derek Aikman in the Ministry of Tourism, Transportation, Education and Youth.

Senate Appointments

Belize City THE REPORTER in English 23 Dec 84 p 1

[Text] Five UDP representatives and three from PUP have been appointed to the Senate or Upper House of the National Assembly, according to an announcement from the Governor General's office.

The new Senators are Mr Silas Cayetano, retired public officer who was at one time Chief of the Social Development Department, Mr Cyril Davis, President of the Democratic Independent Union and an officer of the Belize Trades Union Congress, Mr Michael Finnegan, a former Editor of the BEACON newspaper, Mr Fred Martinez, an Orange Walk businessman and the son of the late Eduardo Martinez of Orange Walk, and Mr Anastacio Castaneda, a Corozal businessman. These five were nominated by the ruling United Democratic Party.

The three Senators named by the People's United Party are Mr V.H. Courtenay, Minister of State in the old government, Miss Kathleen Hope, Principal of Hattieville Government School, and Mr Ramon Cervantez, an unsuccessful candidate in the recent elections from Orange Walk.

Senate Officers

Belize City AMANDALA in English Undated Christmas Issue p 24

[Text] Beimopan, Fri. Dec. 21

Dangriga Town Councillor June Garcia was named President of the Senate today, while Corozal's Anastacio Castaneda will be Vice-President of the Senate.

House Leaders

Belize City AMANDALA in English Undated Christmas Issue p 24

[Text] Beimopan, Fri. Dec. 21

Meeting in its first session to be sworn in here this morning, the newly elected House of Representatives chose City Councillor Carlos Castillo, a university educated teacher and trade unionist, as speaker of the House for the 1984 to 1989 term.

Elected Deputy Speaker was the Hon. Onesimo Pech, who last Friday defeated former Trade Minister Guadalupe Pech to win the Orange Walk South seat.

TPP Deference to UDP

Punta Gorda TOLEDO STAR in English 12 Dec 84 p 1

[Text] The Toledo Progressive Party extends thanks to its members and supporters and those who offered encouragement to the Party to contest in the General Elections.

However, the Executive had decided that it was preferable to allow the major Opposition Party in Toledo to have a clear opportunity at defeating the PUP Candidates once more, in view that indications pointed out that this is perhaps the best time to defeat the oppressive and citatorial regime of the PUP, and the splitting of Opposition votes into two or three Opposition Parties would forfeit this invaluable chance which was offered to the electorate who wanted a change of Government.

The TPP will of course contest the Municipal Elections next year; and will continue agitating for betterment for the Toledo District, and stands ready to assist the new Government in this respect.

Agenda for UDP

Punta Gorda TOLEDO STAR in English 12 Dec 84 p 1

[Commentary by Alejandro Vernon]

[Text] The UDP has been asking for a change, and they have been asking to give them a chance to govern Belize.

On Friday, December 14th they will be given the opportunity to do so. Not because the people love the UDP, but simply because the PUP has betrayed the people.

Now, just a few days before we cast our votes and we change the government, I want to record here in the TOLEDO STAR that the United Democratic Party has made a commitment to the people, and the reason why the people will put them into office on Friday, is because the people expect that the UDP will honour this commitment.

Throughout the past years that the Opposition has been putting forward its case to the electorate, I have gathered from the speeches, meetings, editorials and manifestos that Belizeans should be freed from bondage; assured their civil rights & liberties and assisted so as to hasten the economic development of Belize. The UDP has criticized the PUP for what was badly done, and what was not done.

I would expect then, that the new UDP Government will be logically charged with the following responsibilities:

For a better Belize, and to unite all Belizeans into one big progressive and harmonious society, the UDP Government should:

1. Abolish victimization.
2. Free Radio Belize. All political parties should give their comments over this radio station periodically. Radio Belize belongs to all of us.
3. Develop the economy of Belize by establishing light industries in each district as quickly as possible. Tourism should become number-2 on the priority list.

4. Make a sincere and prompt effort to solve the Belize-Guatemala dispute, but appointing a standing committee comprised of delegates from all the political parties in Belize led by the Government, so that proposals for a solution will have the support of all the parties attending the negotiations in order to be accepted by the Belizean population.

PUP Post-Election Meeting

Belize City THE BELIZE TIMES in English 23 Dec 84 pp 1, 24

[Text] With the punctuality that characterizes him, the Rt. Hon. George Price, leader of the People's United Party, was the first of the slated speakers to arrive at Court House Plaza where the crowd was already gathering for Wednesday night's post-election meeting. Men and women alike, young and old, demonstrated the tremendous love and affection that they have for the party leader as they crowded him, hugging him, shaking hands and speaking words of support and confidence. For his part, Mr Price was visibly touched by this outpour of affection, but nevertheless, comfortable as usual with his people, he exuded the charisma that is natural in the man.

Party supporters and friends turned out in great numbers to hear from their leaders what the future holds for the party. Senator Harry Courtenay as master of ceremonies set the tone for the evening. This veteran politician, an outstanding leader of the PUP, sent out the message and in no uncertain terms assured party loyalists and the nation that the People's United Party is alive, that "we will regroup" and stand ready to form the next government.

Addressing himself to, perhaps, the most important national issue, Senator Courtenay sounded a warning to the new government that the People's United Party will not tolerate any land cession as part of a solution to the dispute with Guatemala. Mr Courtenay singled out the new Foreign Minister because of a statement he made prior to the election on the Guatemalan issue. He cited the UDP Minister as saying that he was prepared "to give and take" in the negotiations with Guatemala. The PUP Senator warned that the UDP government and Barrow can give and take of their own property, but, wo betide them, if they were "to give and take" with one square centimetre of Belizean land.

The PUP Belize City candidates were firm in expressing their determination to continue to work for the party and the people of Belize.

PUP Officials' Remarks

Belize City THE BELIZE TIMES in English 23 Dec 84 p 24

[Text] Said Musa outlined the many projects that the PUP "served on a platter to the new UDP Government the \$14 million balance of payments support program from the IMF, \$12 million for the new Belcast campus (it is recalled that the UDP had criticized this project for Belmopan), \$12 million for the Western Highway, and others such as the housing program rural roads and bridges, and other infrastructure public sector programs, all totalling some \$74 million. You will hear from us if these projects are mismanaged," Musa said.

In a specific reference to the Minister of Natural Resources, Dean Lindo, he said "you will hear from us if you give away land to the Mafia crowd from California."

Turning to the UDP Manifesto, Mr Musa noted the many promises that were made, including increases of salary for public officers, and he said "you will hear from those very same public officers if you don't 'pay up.'" Mr Musa was borrowing a phrase that had been coined earlier in the meeting by candidate Carlos Diaz of Lake Independence. Diaz said to the UDP, you say 'raise up,' we tell you 'pay up.'

Other speakers at the meeting were Ralph Fonseca, Rafael Chavez and Louis Humphreys. They all pledged loyalty and continued active support for the PUP.

PUP Post-Mortem

Belize City THE REPORTER in English 23 Dec 84 p 1

[Text] Mr Florencio Marin, former Minister of Lands, has become the designated Leader of the Opposition in the House of Representative.

An announcement by the Governor-General, Dame Minita Gordon gave effect to this decision taken by the PUP leadership at a meeting held at the Kremlin (Musa's building on North Front Street) last Monday afternoon.

At this same meeting a decision was taken to expel the former Party Chairman, Mr Louis Sylvestre from the party because of conduct prejudicial to the interests of the PUP.

Privately the party accuses Sylvestre of having a hand in the defeat of the former Prime Minister Mr George Price in the Freetown Division and of having master-minded the strategy which resulted in the three-way contest in Cayo which caused the PUP left-wing candidate, Mr Assad Shoman, to lose.

Following its disastrous showing at last Friday's polls, the first PUP loss at national level in thirty years there is evidence that the party has regrouped and is making plans for a strong come-back.

The expulsion of Mr Louis Sylvestre removes one of the last barriers to the left-wing of the party from seizing control. Mr George Price, is still the nominal leader of the party, but this is expected to change within the next twelve months or so. Mr V.H. Courtenay's acceptance of a Senate seat is an indication that he intends to play a leading role in the restructuring of the party and possibly, from his seat in the Senate, to guide the moves of the Opposition in the House.

UDP Disruption

Belize City THE REPORTER in English 23 Dec 84 p 1

[Text] The new Attorney General and Minister of Housing, Mr Hubert Elrington, distanced himself from the UDP mob that tried to disrupt the large PUP meeting Wednesday night at Court House Plaza. He listened attentively.

Mischief-maker Aikman had brought out his mob to create a disturbance but he failed. In one instance, when PUP Leader George Price was speaking, he allowed himself to be lifted off the ground by the mob and he himself started shouting and heckling.

The PUP supporters and friends spontaneously started cheering and clapping in support of Mr Price drowning out Aikman who sheepishly slid to the ground.

At the end of the meeting, Aikman and his mob continued to heckle but the PUP's left the meeting grounds in an orderly way ignoring the UDP mob.

By the way, Aikman is the new Minister of Education.

Governor General's Speech

Belize City AMANDALA in English Undated Christmas Issue p 1

[Text] Belmopan, Fri. Dec. 21

In her speech to the House at its first meeting this morning, Governor General Dr Minita Gordon described the economy as being in a "disastrous state."

Considered a nonfavourite of the newly elected UDP government, which accused her of indiscretions during the recently concluded election campaign, Dr. Gordon had to read the speech detailing the new government's policies and intentions as a matter of protocol and tradition.

The speech was interrupted repeatedly by loud applause from the House and gallery especially when there was reference to the previous administration's "corruption," "political interference," and "victimization."

Earlier in the week on Monday, Dr Gordon refused to allow the swearing in ceremonies for the new UDP Cabinet to be videotaped and insisted that the ceremony be held in her office, instead of the House.

The new government's prescriptions in their remedy for Belize's economic malaise include the following:

*Gov't will seek to establish an agricultural bank to help finance farmers and will set up marketing centers for their produce throughout Belize.

*Gov't will promote two major types of industrial projects--import substitution and export orientation.

*Gov't will welcome capital from home and abroad and will define an investment code so investors can avoid "frivolous charges and conditions."

*Gov't will place "considerable emphasis" on the tourist industry.

*Gov't will encourage growth of the fishing industry and will promote diversification to avoid over exploitation of the traditional species.

*In their "crusade for prosperity," the UDP government will create more personal reliefs for income tax, increase minimum wage before tax, abolish income tax releases for travellers, and review income tax on agricultural and fishing earnings.

*Port facilities will be expanded, improved, and modernized.

*Airport facilities will be upgraded.

*Gov't will end all discrimination and victimization.

*Gov't will reform labour laws and ratify all conventions to protect workers.

Gov't will upgrade efficiency of public utilities.

CSO: 3298/293-4

BELIZE

AMANDALA OUTLINES EDITORIAL POLICY VIS-A-VIS NEW GOVERNMENT

Belize City AMANDALA in English Undated Christmas Issue p 2

[Text] In a rush of enthusiasm last week, one of our columnists wrote that he would refrain from criticizing the newly elected United Democratic Party government for six months. In other words, he would give them a grace period.

That columnist was referring only to his own column. The AMANDALA editorial board is not giving any grace period to anybody, although we expect we will be more lenient with the new and relatively innocent UDP legislators than we were with the hardened gangsters of the old administration.

There is a marked difference in politicians when they are campaigning for office and when they are elected to power. The newspaper observed this first-hand in 1979 when we campaigned for People's United Party candidates and they were elected to office.

In some ways, the differences are good, because the elected politician becomes more relaxed and more confident.

But in more ways the differences are bad. The newly elected politician often forgets how he got there, draws away from old friends, and begins to believe his own propaganda. And remember, whether the politician is newly elected or re-elected, the Lord Action principle remains true: power corrupts, and absolute power corrupts absolutely.

In the case of Belizeans, we have seen that the longer politicians are in power, the more contemptuous and corrupt they become. And this was a big reason for the change in the voters manifested last Friday: they elected new leaders because they wanted to return power to the people. PUP legislators had become the masters of the people, not the servants.

And lest anybody think otherwise, let them know that the new generation of Belizeans, more educated and the new generation of Belizeans, more educated and more sophisticated, does not intend to repeat the mistakes of their predecessors. Belizeans are not going to allow any other politicians to choke them the way the PUP leaders were doing.

The UDP must perform, or it shall be removed.

There will be a tendency for the UDP Cabinet to lie back in the elaborate deception and exploitation machinery left by Mr Price and benefit from same. Last Friday's election would then have been a case of rearranging their faces and giving them new games.

Here is where we hope the backbencher system (described on page 11 of this issue) will keep Ministers on their toes so that those who are inefficient or become corrupt are replaced. Nobody is to be allowed to turn rock stone again.

In analyzing the new UDP Cabinet, we have observed at least one specific case in which politics took precedence over efficiency in appointment considerations. Let us repeat: the people are not interested in politics. They demand performance.

And performance they shall have.

CSO: 3298/295

BELIZE

SUGAR TARGET FOR 1984-85 SET; EXPORT TOTALS NOTED

Belize City THE BELIZE TIMES in English 23 Dec 84 p 15

[Text] The Belize Sugar Industries exported a total of 95,576 long tons of sugar last season to Europe, the United States, Canada and Ecuador. The biggest buyers were the United Kingdom, 30,200 tons, and the United States, 28,200.

The 1984-85 season started earlier this month with a target of 110,000 tons--Libertad Factory in Corozal District, 45,000 tons, and Tower Hill in Orange Walk, 65,000.

The Belize Sugar Board's report for November says that in spite of froghopper damage, flooding of low lying areas and the spread of Smut disease, there is agreement that cane production will be close to amount needed to make the targetted tonnage of sugar.

The Sugar Board also reports that the estimated cane prices for the 1985 crop are \$34.30 per ton for Libertad and \$33.44 for Tower Hill. The Board explains the drop in prices with the reduction of the US export quota and the deterioration of the exchange rate of Sterling to US dollars.

Last week, canefarmers received their third payment for cane deliveries in the 1984 crop. A total of \$1.6 million was paid based on a final estimated price of cane of \$39.48 for Libertad and \$37.44 for Tower Hill.

The Sugar Board also reports that the Cane Farmers' Association has been discussing diversification plans with Government, the US-AID and the Belize Chamber of Commerce.

"It is believed that many cane farmers will start diversifying in cattle rearing in the near future," says the Belize Sugar Board.

CSO: 3298/295

BELIZE

CENTRAL BANK REPORTS ON ECONOMY FOR FIRST HALF OF 1984

FL272106 Bridgetown CANA in English 1953 GMT 27 Dec 84

[Text] Belize City, Dec 27--Prospects for the Belizean economy for 1985 and beyond continue to depend crucially on sustained growth in the developed countries and a significant improvement in terms of trade, according to the Central Bank's latest report.

The bank in its review of the economy during the first half of this year said the country recorded a trade deficit of 26.1 million dollars (one Bds dollar; 49 cents U.S.), representing a worsening of 17.1 million dollars over the preceding period and of 5.5 million dollars over the same period last year.

The much increased trade deficit can be traced back to an 11.8 million seasonal contraction in exports to 30.9 million. Retained imports increased by 5.2 million dollars to 57 million dollars.

The continuing upward trend in imports reflects in part the impact of the Mexican inflation which, despite the depreciation of the peso, has made Mexican goods more expensive and has led to an increase in recorded imports as Belizeans switch to up-market products from North America and Europe, the bank said. It said that re-exports continue a steady upward climb toward pre-Mexican devaluation levels and are, despite the sluggish growth of the Mexican economy, at 9.3 million dollars, 5.7 percent above their first quarter level.

The bank said that production in the sugar industry suffered a setback due to bad climatic conditions. Sugar production in the second quarter was 38,485 long tons from 377,023 long tons of cane, representing an increase in the extraction rate of refined sugar from cane to 9.8 percent, up from 9.7 percent in the first quarter. The bank said that compared with the same period last year, deliveries of cane were down by 106,539 long tons and production down by 11,087 long tons. Sugar exports, at 21,780 long tons, were down 6,923 long tons on last year's level. Exports included 4,750 tons to Ecuador, the first ever shipment to that country under the terms of the International Sugar Agreement (ISA).

Also noteworthy was that in June the Belize government signed an agreement of intent for the purchase of 72 percent of the British-controlled Belize Sugar Industries shares for Belizean interests.

The bank said the banana industry continues to hold its own despite the inhibiting effects of poor location and inadequate shipping arrangements. Exports increased to 122,030 boxes, 8.9 percent higher than in the last quarter. This increase was reflected in a small improvement in earnings, bringing total revenue for the quarter to 1.4 million dollars. Citrus earnings rose by 6.7 million dollars in the second quarter, an improvement of 3.1 percent over the first three months of the year.

The garment industry was aided greatly by the 7.5 percent growth of the U.S. economy. In the second quarter, exports of garments were 7.4 million dollars, which was 0.5 million dollars or 7.2 percent higher than in the preceding quarter.

The bank said that the conduct of monetary policy in the second quarter was governed by the need to check a sharp drain in foreign exchange reserves while at the same time ensuring an adequate flow of resources to those sectors of the economy, both public and private, with legitimate funding requirements.

Between March and June commercial bank credit expanded rapidly by 6.4 million dollars or 5 percent to 148.2 million dollars. Over the year an increase of 14.8 million or 11.2 percent was recorded.

A sector-wise breakdown shows that manufacturing, building and construction, fishing, mining and public utility sectors received the bulk of the new credit, while the agriculture and distributive sector reduced their share of total credit.

In the budgetary field, provisional figures for the second quarter of 1984 show that government operations generated a small surplus of 0.3 million dollars. The government's recurrent revenues exceeded expenditure by 0.7 million dollars. This compares with a deficit on the recurrent budget of 7 million dollars for the fiscal year ended March 31, 1984.

The shortfall recorded in 1983-84 reflected in part the severe contraction of government revenues triggered by the decline in imports and re-exports following the Mexican peso devaluation of 1982.

The improvement registered between March and June this year suggests that the impact of the Mexican devaluations may have, at last, begun to recede, though new tax arrangements introduced in June and seasonal factors have also contributed, the bank said.

Official international reserves dropped sharply by 11.8 million dollars or 32.5 percent to 24.5 million dollars. This reserve level is roughly equal to six weeks imports, though this overstates the reserves readily available in the short term.

Over the year reserves fell by 25 million dollars to less than half recorded in June 1983. Many factors appear to have contributed to the foreign exchange shortage, though an increase in the demand for foreign exchange, precipitated by the rapid expansion of the money supply following an increase in credit to the public and private sector, was no doubt a major causal factor.

BELIZE

BRIEFS

PUP EXPULSION--A special delegates convention held at Unitedville, Cayo District on Sunday 9th December unanimously decided to expel Hector Silva from the People's United Party. The decision was taken based on the public position taken by Silva, which is clearly "detrimental to the interests of the party" as called for by the Party Constitution. This is the first such convention held in Cayo Central since Silva openly defected from the PUP and was therefore the first opportunity to take disciplinary action. PUP is cleaner now after this act. There are others too in other divisions who should be cleaned out of the party in order to purify it. [Text] [Belize City DISWEEK in English 14 Dec 84 p A]

OIL DRILLING--Three oil companies last week began drilling operations in Belmopan's industrial zones. The oil companies Alston, Eagle and Hughes have drilled some 470 feet in the mainly limestone area. Drilling will continue to a depth of some 6,000 feet before a casing or steel tube is placed in the cavity. This is to prevent dirt and sediments from re-entering a cavity. A Petroleum Office spokesman told the Government Information Service that from the rock formation in Belmopan, some "drops of oil" may be present. But, he added, "we never know." [Text] [Belize City THE BELIZE TIMES in English 23 Dec 84 p 13]

CSO: 3298/295

BOLIVIA

COB CHARGES GOVERNMENT WITH BREAKING AGREEMENT

La Paz ULTIMA HORA in Spanish 21 Dec 84 p 5

[Text] The Bolivian Labor Federation (COB) stated that the government has broken nearly all of the commitments it made to the workers last 4 December, when one of the longest general strikes ever held in the nation came to an end.

The COB National Executive Committee (CEN) met for 2 days to evaluate the strike that took place in November and December. It will issue an official document of conclusions in the next few hours.

It was revealed that the result of the analysis is that the government has failed to meet most of its commitments. Specific cases such as the following were cited:

--The upward trend of prices for staple goods continues, as the gap between prices and wages widens despite the agreement to freeze prices of 10 items for 1 month.

--The 30 billion Bolivian pesos that was supposed to be spent in 1 week on the national employment plan and to begin construction of low-income housing, was not spent.

--The rates set by the Ministry of Transportation for inter-provincial transport, in particular, were not adhered to by transport companies, which created conflicts among the peasants.

--The expenditure of foreign reserves to reactivate Bolivian Government Oil Deposits (YPFB) and the Bolivian Mining Corporation (COMIBOL) has not been forthcoming.

--The dollar bonds, which according to the COB are a tacit subrogation of the foreign debt of the nation's private businesses, have not been cancelled.

--With regard to wages, "chaos and a 'mare magnum'" have been created in the regulation and interpretation of the legislation governing this area, resulting in serious problems for various labor sectors.

--The decree that will enable the COB to send a representative to the commission responsible for allocating government foreign reserves has not been issued.

--The commitment made to peasants in a separate document has been honored only to the extent that some agricultural machinery has been delivered and some peasant markets have been created.

8926

CSO: 3348/252

BOLIVIA

BUSINESS SPOKESMAN SCORES COB, GOVERNMENT

La Paz HOY in Spanish 21 Dec 84 p 7

[Text] The International Labor Organization (ILO) may very well reach the extreme decision of expelling Bolivia due to the constant violations of the international treaties that govern its activities.

This statement was made by Fernando Illanes, president of the Confederation of Private Businessmen of Bolivia, during a press conference held yesterday on the occasion of his return from a tour of countries in North and South America.

On that occasion he noted that at its next meeting in June, the ILO will strongly reprimand Bolivia for not complying with agreements that are necessary for the tripartite (government, labor and management) participation for setting wage levels.

He acknowledged that the ILO, as an international organization, is a cumbersome, bureaucratic entity and that it also takes great care to avoid meddling in internal affairs.

This situation, he explained later, does not prevent it from demanding at a given moment that the agreements entered into by the countries that signed the pacts be honored.

When asked about some statements made by union leader Juan Lechin Oquendo, he stated that businessmen on other occasions have already denounced the Bolchevik tactic of taking power by force.

Unfortunately, he concluded, the workers are being deceived by their leaders, and they will be the first to suffer the consequences of this totalitarianism.

In addition, he recalled that some time ago the private sector presented a coherent, complete and realistic economic plan, unlike the COB's incoherent plan.

Another aspect that should be taken into account, he stressed, is that the government, due to labor union pressure, is implementing nearly 60 percent of the COB's plan. He added that the fruits of this policy are known to all: the national economic disaster.

Realization in U.S.

Finally, Illanes noted that during his visit to the United States, he saw that people in that country are beginning to realize what a deception democracy is in Bolivia, and now know that the Democratic and Popular Unity (UDP) government is a failure because so far it has been unable to resolve any of the many problems facing the country.

One indication of this increasing mistrust, he said, is the fact that the Bolivian Creditor Banks Coordinating Committee may disband (he had received unofficial but reliable information to that effect). Such a move would mean that everyone would have to fend for himself in recovering loans.

8926

CSO: 3348/252

BOLIVIA

PLANS TO INCREASE TIN PRODUCTION ATTRACT FOREIGN FIRMS

La Paz HOY in Spanish 22 Dec 84 p 6

[Text] An effort will be made to promote the tin sludge recovery program near the Catavi enterprise (Bustillo-Potosi), which is a subsidiary of the Bolivian Mining Corporation (COMIBOL).

The comanagement board of directors of that nationalized enterprise studied that prospect yesterday. The goal of the program is to revitalize tin production in Catavi, which was very prosperous in past decades, when it was in the hands of Patino.

At present, according to confidential reports, the decline in mineral content, the number of personnel and other factors of production, has led to considerable losses because of the high costs of production. It is noted that sometimes such costs reach \$20 per fine pound of tin, while that same pound sells on the international market for only \$5.30.

Recovery

According to preliminary studies carried out by the technical offices of COMIBOL, in the region of Catavi known as "El Kenko," at least 11 million tons of tin sludge reserves have been discovered in the lake there.

Through recovery systems it is possible to obtain considerable numbers of tons of fine tin, so regular production in that mining unit could increase.

For this purpose, it will be necessary first to solve mining problems in the deposit and metallurgical and infrastructure problems as well.

Specialized foreign companies will be needed for all these activities, and some of these firms have expressed an interest in taking on the project or at least financing it.

The board of directors will continue to study the feasibility of the plan, it was reported.

8926
CSO: 3348/252

BOLIVIA

OIL EXPLORATION TERMED URGENT TO STAVE OFF PRODUCT IMPORTS

La Paz HOY in Spanish 27 Dec 84 p 6

[Text] This year the amount of oil drilled from the reserves exploited by Bolivian Government Oil Deposits (YPFB) declined by 16 percent.

It was explained that this is a natural process, and it occurs all over the world. For this reason, it is necessary to undertake aggressive projects to counteract this drop in production.

Decline

In Bolivia, according to available reports, there has been a constant decrease in productive oilfields and no intensive exploration plans to counteract that decline.

Although in the mid-1970s the highest levels of oil production ever were achieved, with a little over 42,000 barrels per day on the average, at present that total is less than 14,000 barrels, perhaps 13,500 or 13,000 barrels, according to estimates made by YPFB General Manager Juan Gonzalo Carrasco.

During that period not only was there enough oil to cover domestic demand, but nearly 50 percent of production was exported. Because of that rate of production, the refineries in Santa Cruz and Cochabamba were installed and expanded. Even at that time, it was noted that they had excess capacity.

Now YPFB's production just barely exceeds domestic consumption, and the petroleum produced by the international contractors Occidental and Tesoro is used to even out that consumption at 22,000 barrels per day in the refineries.

Exploration

Considering that situation, before reserves are depleted and oil must be imported when this natural resource finally runs out, an aggressive exploration program must be pursued, which requires major financing.

If no resources are forthcoming, current reserves could run out in no more than a decade, according to Manager Carrasco.

8926

CSO: 3348/257

BOLIVIA

BRIEFS

EEC \$10 MILLION AID--The European Economic Community (EEC) will provide nearly \$10 million to Bolivia for the reactivation of the food production apparatus, by means of the implementation of rural micro-projects in the department of La Paz, reported the Foreign Ministry. The aid from this organization of European nations will directly benefit the rural population of La Paz and will help improve their living conditions and income, the Ministry stated. The objectives of the EEC cooperation program are: to increase vegetable and animal food production in the short term, to expand the availability of potable water, to reactivate the productive apparatus, to improve living conditions, and to raise gradually the income level of the rural population. [Text] [La Paz HOY in Spanish 27 Dec 84 p 7] 8926

OVERDUE FOREIGN DEBT--The country's overdue debt to international private banks totals approximately \$700 million, claimed the general manager of the Central Bank of Bolivia, Jaime Rossell. During a meeting held with the press yesterday in order to explain certain aspects of the Creditor Banks Coordinating Committee, Rossell and Tamara Sanchez, president ad interim of the Central Bank of Bolivia, presented some details regarding the country's foreign debt. They explained that the \$700 million in arrears comprises principal as well as interest that are owed. The two private banking officials, stressing that at no time have negotiations broken off with international private banks, promised to reveal in the next few days some updated information on the national foreign debt. Rossell also indicated that the total service of the national foreign debt in 1984 represented approximately 116 percent of the country's total exports. [Excerpt] [La Paz HOY in Spanish 22 Dec 84 p 6] 8926

CSO: 3348/257

BRITISH VIRGIN ISLANDS

ROMNEY APPRAISES TIES WITH U.S. VIRGIN ISLANDS AT FETE

Road Town THE ISLAND SUN in English 10 Nov 84 pp 1, 2

[Address by BVI Chief Minister C.B. Romney to visiting officials from the U.S. Virgin Islands on Friendship Day, 27 October 1984, in Road Town]

[Text] On the Occasion of Friendship Day October 27, 1984

Your Excellencies, Julio and Barwick, Honourable Members of the Legislatures, Distinguished Guests, Ladies and Gentlemen:

For the last thirteen years we have commemorated under the umbrella of Friendship Day, our common cultural, familial and economic legacy and, while I have often been involved in these ceremonies--from assisting with planning them in my days as Financial Secretary, to playing host as a Member of the BVI Legislature, today is the first time that I am privileged to greet you, our USVI counterparts and friends, in my capacity as Chief Minister, which I now do on behalf of the Government and people of the British Virgin Islands, as I extend a very warm and hearty welcome to each and everyone. This is a very significant moment for me, and I here and now pledge, that, under my administration, we in the British Virgin Islands shall endeavour to turn these annual expressions of friendship and goodwill into a much more meaningful relationship, of which we can both enjoy being a part. In this I am assured of the support of all my Ministerial colleagues who, for starters, have all expressed the need for establishing the mechanisms for an on-going dialogue and frequent communication between the counterpart agencies of the two territories. The implication is not that there is no exchange at this time. Indeed, representatives of common-purpose agencies, such as those of law enforcement, meet regularly to swap ideas and information, and have been doing so for years, but we should, nevertheless, wish to see more of this kind of dialogue in order to build on the blocks of our relationship and draw on each other's strengths. It was at the opening of the last meeting of law enforcement officials a few weeks ago that His Excellency, Mr David Barwick, pointed out the vast differences that in several instances exist between our administrations, and very correctly stressed the need for the mutual understanding of these differences. Clearly, we must service our relationships not only today when we mingle with each other in a convivial and pleasant atmosphere, but regularly throughout the year. At this juncture it is perhaps appropriate for us then to get down to specifics, and I venture, without hesitation or consultation, to mention two, namely, the effective management of our marine resources and cooperation in the development of what I refer to as the visitor mystique, both of which I am told are in need of urgent attention.

Our close association which spans many generations, and to which we allude every year on this occasion, augurs well for the future as we work to build right here in this corner of the Caribbean a showplace of democracy and international co-operation. But let not our thrust for greater co-operation be foiled by chauvinist cynicism and, in this connection, let me say, again to my friends from the USVI that I have already commended Dr. Norwell Harrigan, one of our illustrious sons, who has now become one of your illustrious 'fellows', for the great insight shown in his rather interesting analysis of the nature of our relationship. In his letter earlier this year to Mr. Ariel Melchior of the Daily News, he discussed this dynamism in some detail, citing for example, the fact that British Virgin Islanders not only strengthen the labour force of the USVI, but also inject BVI financial resources into the economy of the USVI through substantial regular purchases of a wide range of goods and services. More relevant to this gathering, however, is Dr. Harrigan's call in the said letter, for the resuscitation of the Inter-Virgin Islands Conference which lapsed over a decade ago for reasons which I shall not discuss here. In

this connection I am pleased to learn of the efforts being made by Governor Luis' office to get the ball rolling in this direction and I hereby pledge my full support to the early re-establishment of the Conference on a sounder footing than in the past.

From time to time, circumstances develop to test the durability of our relationship and the past year has not been entirely uneventful. We are fully acquainted with the sensational media inspired dramatics that focused attention on the arrest of a number of fishermen in the BVI earlier this year and, while it is not my intention, as we say, to 'reap up an old story', I do not intend to act like the proverbial ostrich, and bury my head in the sand pretending that nothing happened, for I am convinced, from snippets of information reaching me now and then, that this matter must today be in the minds, if not on the lips, of many. The matter is one that is still before the courts, where it has to be, under the laws of this jurisdiction and it is, therefore, inappropriate for me to speak on the matter or to attempt to predict the outcome. At this time I will simply say, that I view the incident as one more test of our friendship. Ours has been a long-lasting and, therefore, durable one. This does not

mean that, as in any family, our relationship would not be subject to strains or differences. We will have problems, such as those of this year, but their occurrences, ladies and gentlemen, should re-inforce, rather than weaken the links that bind us.

Today is a day for us to officially get down to the business of enjoying each other's company — wherever and in whatever form we choose (legitimately, of course) — and I implore everyone to commence shortly to do so. Many of my fellow legislators would have just finished one more hectic week of campaigning for elections that are a little more than a week away. With them I empathize fully, as last Friendship Day met me in an identical situation. I, however, remember the pleasure and relaxation that you in the USVI offered us at that time and very well do I recall the accuracy of some of your uncanny predictions. I trust that we shall be able to perform equally well on this occasion.

I am pleased to see all the Organizations represented today and can assure you that your BVI counterparts will again expose you to our incomparable brand of good, old BVI hospitality.

I wish everyone an enjoyable day.

BRITISH VIRGIN ISLANDS

ABSENCE OF DOLLAR EXCHANGE ADVANTAGE AFFECTS TOURISM

Road Town THE ISLAND SUN in English 1 Dec 84 p 11

[Guest editorial by Vernon Pickering: "Tourism and Our Future"]

[Text]

The tourist season has started and we all hope it will be a good season. When we take into account the small size of our islands and the lack of natural resources we seem to have no other choice than to strengthen and, possibly, diversify the service-rendering character of our economy. This means devoting all energy to attaining the best possible performance in the fields of tourism and international banking. Other islands in the Caribbean have fully understood, and digested, these facts and are moving very fast in attracting tourists and capital.

It would be both naive and dangerous to assume that tourists are attracted by the natural beauty of the islands: a nice beach - the sun in the sky and a glass of fruit punch. So many other factors influence the potential tourist in his (her) choice:

- currency
- facilities (yachting, etc.)
- cost of living and hotel prices
- entertainment
- transportation, etc. to name a few.

At present, the strength of the US dollar does not favour tourism in our islands for the simple reason that this currency can buy much more services when it is exchanged into Dutch guilders (Aruba-Bonaire-Curacao-St. Maarten, etc.), EC\$ (Antigua-Montserrat-St. Kitts-St. Lucia-St. Vincent, etc.), French francs (Martinique-Guadeloupe-St. Barts, etc.), Mexican pesos, Trinidad dollars, etc. And the US dollar buys much more today when exchanged into a foreign currency than it did a year ago.

Once this is accepted as a fact, the only solution is to make our hotel rates (etc.) more "attractive". If this is not possible then the "only" way to go is to perform a better service. The ideal would be to achieve both results; but if we cannot achieve either of the two we cannot be surprised to see a decline in tourism. If our islands are labelled as expensive,

this will attract fewer tourists. Nobody wants to carefully save his (her) money for a holiday in Paradise only to discover that he (she) cannot wine and dine too often because it is too expensive, cannot use the taxi too often or even rent a car because of the same reason, etc. We are all aware that tourists are flooded with advertisements from most islands in the Caribbean, all promising "Paradise".

We promise to the tourist-visitor to be "different" and fortunately for us we keep most of our promises. However, hotels should offer more package deals and new businesses must be aware that development calls for more tourists (hopefully).

If we want to maintain our "difference" we can still attract visitors without losing our identity. Since we do not want to become like some of our neighbouring islands, we can look at tourism as "a phase" of stable development towards a more diversified economy.

Once we have placed the BVI more firmly on the map of tourism we can proceed to develop new strategies and broaden our economic base so that we will be less dependent on tourism.

CSO: 3298/296

BRITISH VIRGIN ISLANDS

FORMAL ASSOCIATION OF BVI WITH OECS INAUGURATED

Road Town THE ISLAND SUN in English 1 Dec 84 pp 1, 2

[Text]

On Thursday, 22nd November, 1984 Chief Minister the Honourable Cyril B. Romney signed the Agreement formally bringing into effect Associate Membership status of the BVI in the Organization of Eastern Caribbean States. The Ceremony took place during the Sixth Meeting of the Authority which convened in St. Lucia on the same day. Prime Minister of Antigua, St. Lucia and St. Vincent, the Chairman of the Interim Council of Grenada and the Chief Minister of Montserrat all warmly welcomed the BVI as

as Associate Member, an event which augured well for the Organization.

In making his acceptance speech, the Chief Minister pointed out, among other things, that while the British Virgin Islands offered relatively little in the strictest sense of trading, its high import bill provided an opportunity for marketable goods from the OECS to be sold here. The Agreement, which the Chief Minister was authorised to sign on behalf of the Government of the British Virgin Islands, provides for the Territory's

- a) full participation in the deliberations of the Economic Affairs Committee;
- b) participation in the deliberations of the Authority in the capacity of observer.

The Chief Minister also stated that he looked forward to the Territory's benefiting from many of the areas of functional cooperation, especially in areas of training, marine resource management, as well as the channelling to the British Virgin Islands of investment and development funds that come on stream through the efforts of the OECS.

CSO: 3298/296

BRITISH VIRGIN ISLANDS

POLICE INFORMATION TO MEDIA LABELED UNFAIR

Road Town THE ISLAND SUN in English 15 Dec 84 p 15

[Editorial]

[Text]

We have dealt with Police Headquarters for a long time by way of getting information of interest to the public, first hand, on the arrest of any person charged with a crime. We have found it difficult in getting information which is comprehensive, but merely a smattering which is far from the point that can be called news. Somehow, the Police Authority is usually hesitant in having the public informed on arrests and charges or intended charges.

We have an understanding with the Chief of Police that the Press would be informed, upon request, of any arrest including the name of the alleged offender or offenders, and the nature of the charge. Nevertheless, we are often frustrated in trying to obtain such information, although it may be known all over town.

Our recent experience is the marijuana charge brought against Alvin Hodge, Virgin Gorda Chief Customs Officer. In this instance the Chief of Police declined to give the name, and stated that "a man" would be charged with the alleged crime. Why was the name withheld from the Press, although the "man" was in the custody of the Police?

It is obvious to us that the Police Authority is not candid in dealing with the Press, which is neither fair to the Press nor the public. How long will this continue?

CSO: 3298/296

CUBA

1987 PAN AMERICAN GAMES DISCUSSED AT PRESS CONFERENCE

Havana BOHEMIA in Spanish No 46, 16 Nov 84 pp 47-49

[Text] Because of its importance, BOHEMIA is presenting the transcript of the press conference held in Mexico City by Comrades Jose R. Fernandez, vice-president of the Council of Ministers, and Oscar Fernandez Mell, president of the Provincial Assembly of the Peoples Government in the City of Havana, concerning the arbitrary decision by the executive committee of the Pan-American Sports Organization (PASO) and its President Mario Vazquez Rana to make the U.S. city Indianapolis the alternate site of the 1987 Pan-American Games. Initially, Jose Ramon Fernandez read an introductory statement to the national and foreign correspondents assembled in Mexico City, listing the steps taken by Cuba since 1983 to request that the Pan-American Games be held there in 1987, in case Ecuador declined to organize them. He distributed to the press copies of two letters from Cuban President Fidel Castro to Mario Vazquez Rana, in which it was noted that an injustice was being committed in favor of the United States. Here is the complete text of the dialogue with the journalists:

[Question by Fernando Pineda, of IMPACTO Magazine] I would like to ask you, Mr Minister, if Cuba is prepared to carry out the games in terms of facilities and tourist infrastructure to accomodate the influx of people who will attend the events, and if it is prepared in general, what measures have been taken, etc.

[Fernandez] The answer is a categorical yes. Furthermore, the president of PASO already gave that answer when he made public statements to explain why he went to visit Indianapolis and not Havana; he stated that he knew Cuba had the necessary facilities and sufficient organizational capacity, so it was not necessary for him to go there.

[Question] Mr Minister, now that Cuba has been rejected as an alternate site, what will be the position of Cuban sports officials in terms of going to Indianapolis . . . ?

[Fernandez] I think it is very premature to ask that kind of question so far in advance, but what we will say is that we will struggle through all possible channels to assert our rights, and that is one of the reasons we are here tonight, to denounce this situation. In other words, Cuba has not made any decision yet. Cuba wants a strong and vigorous Olympic movement, without

commercialization, benefiting all and promoting fraternity and friendship among all nations, an Olympic movement in which all the nations of the world have the right to host events in accordance with their desires, infrastructure capacity and other factors. We do not want, however, an Olympic movement in which only a dozen rich countries can host events of this type. That would deny the very essence of Olympianism and the rights of all.

[Question] Excuse this stupid question, but it says here that it was already agreed that the site would be Indianapolis in June of this year; I understood that the decision (. . .) with the 10 members of the Executive Committee, so had there been a consultation with all of them prior to the meeting this Sunday, and did all of them vote, or what?

[Fernandez] No, unfortunately, and that is part of the essence of our criticism and complaint.

Originally Chile was made the host of the 10th Pan-American Games. Chile declined to host the event because Mr Pinochet argued that he was not about to hold an event in which all the medals would be won by the Gringos and the Cuban Communists. Then the site was granted to Ecuador. Ecuador was supposed to present the corresponding documentation in which the government agrees to support the games and to provide all the facilities. That document was not submitted on time. When the Pan-American Games took place in Caracas, with our participation, Ecuador was unable to submit the documentation and it was decided to give the president of the Ecuadorean Olympic Committee, Mr Sabino Hernandez, more time. It was also decided to hold a meeting of PASO in Havana, and later the time was set for June of this year. The PASO meeting was planned for 8, 9 and 10 June; the PASO Executive Committee made a moral commitment that if Ecuador did not meet the requirements, the site would be moved to Cuba. That commitment and consensus were repeated several times.

A few days before the meeting in June, when 26 countries had already confirmed their attendance in Havana, having told us the dates and times of their flights and even having made hotel reservations, it was announced that Cuba would not go to the Olympic Games, for reasons which were explained. Right then and there PASO cancelled the meeting in Havana, arguing that there was no quorum; but we had in our possession confirmation by the 26 countries that had agreed to attend. The meeting was cancelled; we talked to the PASO directors personally. They told us that given the confusion it would not be appropriate to hold the meeting in Havana, but it would not be held anyplace else, either; it would be postponed. No one except Indianapolis, apparently, was told that the promise and commitment made to Havana was being cancelled and transferred to Indianapolis.

In the materials handed out by the city of Indianapolis at the meeting held several days ago, there were letters dated in June indicating commitments and making offers.

[Question] Letters from whom?

[Fernandez] Letters from the governor of Indiana, a letter from the mayor of Indianapolis, and others. Copies of those letters were distributed 3 days ago, the day of the meeting of the PASO Executive Committee.

So it is not true that the site was offered to Indianapolis during the October visit; moreover, it is not possible to draw up such elaborately printed documents and to make a film between 19 October and 3 November. For this reason, we are claiming that the previous commitment was not honored. More than that, though, expanding on the answer, on 30 October the Cuban ambassador to Mexico was advised that it would be a good idea for the mayor of Havana to come so that Cuba would be on an equal footing with Indianapolis in the discussion, so that is why the mayor of Havana came. Thus, some were told the 19th and others the 30th, about the meeting on the 3rd. Then the ambassador was told--and we have the documents here--that Havana, that Cuba had no chance at all, that there was really a general consensus that Indianapolis would be the site.

When Comrade Gonzalez Guerra, a Cuban, began to call his fellow members of the Executive Committee, from Brazil, Colombia and Guatemala, he began to get some answers and to clear up the matter. They told him: "You don't know it, but I was already called by the directors of PASO several days ago; they asked me to agree to give the games to Indianapolis." They are there. That is the procedure that we reject, which is referred to in the letter, aside from the fact that we have more right to it.

Cuba never has hosted the games; they have been held in Canada, the United States, Mexico and Puerto Rico, in the so-called Zone 1. Cuba has not held them, but it has the material conditions, the organizational conditions; it has requested them, and no one has more right to request them than Cuba. Yet they are denied to Cuba and given to another country that has already held the games before.

[Fernandez Mell] I would like to expand on that, and this is important. At the Pan-American Games of 1983 in Caracas, in view of the fact that Ecuador was unable to present the government's commitment, we, the president of the Cuban Olympic Committee and Jose R. Fernandez, personally stated that we wanted the games and that we were willing to present the documents. They said no, not until Ecuador declined could any documentation be accepted. Nevertheless, in this case, Ecuador still has the games now, at least until December, the host is Ecuador. A commitment was made to Indianapolis, however, to host the games, and two different cities were called to an executive meeting to ask to be the alternate site; on the other hand, as you know, and this is an important aspect pointed out by the president of the Cuban Olympic Committee, the Bylaws have been violated, specifically, Article 16, Paragraph F.

What is more, Mr Vazquez Rana stated and it was made public that the site had been granted to Indianapolis back in June, and they have been preparing for the games since that date.

[Question] Mr Minister, in the letter from Commander in Chief Fidel Castro he states that there should be no reprisal (. . .). Does that mean that in granting the games to Indianapolis Mr Mario Vazquez Rana betrayed the confidence of Commander Fidel Castro?

[Fernandez] Well, I wouldn't exactly say that. But we really believe that Cuba had more right to it; I think that international sports organizations have an obligation to observe norms of strict equity, that international sports organizations have an obligation to ensure the purity of the Olympic movement, that if we are going to give the games to a city because it can offer \$5, \$10, \$20 or \$200 million in television rights, or broadcasting or advertising rights, or because it is rich enough to be able to offer so many free passages, the free lodging of so many athletes as was done in Los Angeles, and other facilities, then what is left for the poor? We will have to go and see if we can establish clubs for the poor Olympics, because we will not be able to participate with the rich. I am not saying that we are going to do that, but it appears to be the only solution. So I don't want to say that Mr Mazquez Rana betrayed us; I want to say that we don't agree with the decision that was adopted, and that is what we are complaining about.

[Question] What other form can that disagreement take besides the appeal filed by Mr Gonzalez Guerra?

[Fernandez] Well, we are going to appeal through all legal and moral channels; we will use all the pressure that the Olympic movement and all the poor nations affiliated with it can exert to change this situation, to prevent the rich and powerful from taking over the Olympic movement under conditions of absolute discrimination and inequality for the poor. That is what we plan to do, and how far we will get I can't say. I came here knowing there could be difficulties, but I must say that in fact it has turned out much worse than our worst expectations. Therefore, we will have to discuss the situation with the Cuban Olympic Committee, which is represented here in Mexico by its president. When he returns to Cuba and a meeting is held, we will see what decisions are made, what factors are studied, and we, our people and our government will support it.

[Question] With all due respect for your statements as well as those of Mr Gonzalez Guerra and those of Mario Vazquez Rana, I am trying to practice honest journalism without turning this into squabbling, rumors and gossip. Mr Vazquez Rana stated that somehow Mr Gonzalez Guerra was under pressure to make that kind of statement about disagreement with the choice of Indianapolis. What about that?

[Fernandez] I think Mr Vazquez Rana has an active imagination.

[Fernandez Mell] That is one of the statements made by Vazquez Rana with regard to the pressure on Manuel Gonzalez Guerra; Vazquez Rana also said that if we did not throw much of a tantrum—not much, because we (Cubans) are always throwing tantrums—there would be no Pan-American Games in 1991; the third statement is that the Central American and Caribbean Games of 1982 in Havana were not a model of organization. We have also found out about that now because German Rieckehoff, president of the Puerto Rican Olympic Committee and of the Central American and Caribbean Sports Organization (ODECABE), said that they had been the best in history. Thus, history is being turned around or distorted a little here by Mr Vazquez Rana, I don't know why, or what problem he has or what problem he is dealing with that has made him change what was stated earlier.

[Fernandez] I think that the news reports about this matter are completely inconsistent. We received congratulations for the organization of the Central American Games; it was noted that they were the best organized; the International Olympic Committee gave me, as president of the Games Organizing Committee, the "Olympic Order of Silver" for the efficiency with which the event was carried out, and Mr Samaranch personally came to Cuba to award me the prize in a ceremony held at the Palace of Government in the presence of our President Fidel Castro and other officials. So one must ask: What is the truth?

[Question] Since Cuba has not been chosen to host the Pan-American Games, will it ask for the next games?

[Fernandez] The next games are 6 years away, a long time. Cuba asked for these games long in advance, through personal contacts. We talked about it with the directors of the International Olympic Committee and those of PASO, and we made official contacts and requests. The same day that the president of Ecuador stated that he could not back the games, we sent a cable to PASO requesting the games. That was the date when the request had to be made officially. I would say that it is too early to announce that we will ask to host the next games. That will be discussed in due time by the Cuban Olympic Committee. We are also in a position to host some Olympic Games.

[Fernandez Mell] There is one more thing: As of right now, the official site is Ecuador. That goes without saying; in other words, the procedure and handling of this situation are what is incorrect, but the official site is Ecuador until 15 December. Furthermore, there has been a violation of procedures and regulations, which will be carried to the ultimate consequences, because as you know, the Olympic movement also has an Arbitration Committee. There it is not a question of opinion, but a matter of violating articles and regulations.

[Question] After all this, what is your opinion of Vazquez Rana?

[Fernandez] We have had respect for Mr Vazquez Rana. The fact that here we are questioning a matter of procedure, that the deck has been stacked in the choice of a site for the games as we have pointed out, has brought about a conflict. Vazquez Rana has enjoyed our respect, friendship and consideration, and we do not have the slightest intention of turning this conflict into a personal problem. This is a much more important issue, that of the procedures followed by Olympic organizations, how they work and what economic and financial factors are being used increasingly in the world that do not conform to Olympic ideals. Before, a decade and a half or two decades ago, there was no talk of profits; today when people talk about Seoul it is noted that television rights will cost \$800 million; when they talk about Los Angeles they say that at Los Angeles television rights were sold for \$300 million. But we must ask ourselves what this is all about; is it a commercial exhibition for the purpose of making profits and earning money for certain businesses, or are these healthy Olympic Games in which the athletes of all the countries of the world meet fraternally and compete, strengthening their ties regardless of other factors, and which serve to promote physical development and to stimulate friendship and good relations? Which is it, I wonder, a business or an Olympic movement? That is at the heart of what we are challenging here.

[Question] Given the current situation in sports, if Cuba's efforts fail, is it likely that something like a new international sports order will be formed?

[Fernandez] Look, sir, we don't like to talk about a new order or mention any such thing. You know what our greatest desire is: to strengthen the Olympic movement, to ensure that the rich and powerful do not take advantage of the poor, that the Olympic Games and the Regional Games that are held under the auspices of the Olympic movement remain pure, with the participation of all, so that one does not have to be a multimillionaire to go to an Olympic village, and the poor, the underdeveloped, even those considered to be the poorest or the richest, can participate equally.

In today's situation, it is impossible for countries where a man's net income is just over \$100 a year to participate in the Olympics, where it costs several thousand dollars for each athlete to participate for 2 weeks. I am not even mentioning the preparation or training. It is impossible to speak of a true Olympic movement today as such. An Olympic event must be broadcast, publicized, heard on the radio and seen on television, and we don't reject the participation of the mass media, but when the main focus of the Olympics or other games becomes the price television networks might pay or what broadcasting organizations might pay for the profit and benefit of a few, who are neither the athletes nor the countries they represent, then we are certainly against that, and our desire is for the Olympic movement, all the federations and all the games that are held under its auspices, to adhere to and be truly governed by the ideals of the Olympic movement.

[Question] I would like to ask if it is not desirable to prohibit those who chair the Olympic Committees of the various countries from having any ties with commercial enterprises or with mass media businesses to prevent any doubt about their influencing the decisions and procedures adopted by these officials.

[Fernandez] I am not claiming that anyone is subject to such influence, but I state categorically that that should be an important requisite.

[Question] At the meeting of the Association of National Olympic Committees, 151 out of the 152 representatives agreed that the Olympic Games in Seoul, Korea adhered to the terms set forth (...). Just one delegate, the one from the USSR, disagreed with the opinion of the rest of the Olympic movement (...).

[Fernandez] We have no control over how a delegate or the president of an Olympic organization votes, as we stated already in responding to your previous question. We do not direct that activity; but we are saying what we think, as people who are involved in sports on a national level, from the schools to the workers' games. We do hold a true Olympics in our country every year, the student games, where 14,000 to 15,000 children participate in events ranging from intramural sports at school to municipal and provincial games. The games are held in the month of July, after classes end, and the students are required, among other things, to have passed their courses.

I can state that we were not present at the meeting of the Olympic Committees and we did not have the right to vote, but we are in complete agreement with that one delegate, on a personal level. I repeat that we do not control the Olympic movement, but no one can deny our right to express an opinion, and I think that it is attitudes of this kind that have led to the current situation.

[Question] I would like to know what Cuba's final position will be (. . .)

[Fernandez] Some questions seem to want us to cross the bridge before we get to it. We are discussing the matter, and I repeat that what we want is a strong Olympic movement that represents the ideals of the charter. We will take reasonable action based on firm grounds, we will use our moral force, and we will battle unceasingly to resolve this problem. We have come here, I repeat, and we have found this situation.

I cannot answer what the Olympic Committee of my country will do; it has not met because its president has not yet returned to Cuba. I have not received any indications from my government; I have not returned to Cuba. We have encountered a very difficult situation here.

I would not be able to predict what positions will be taken by the Cuban Olympic Committee or the Cuban Government, which has not discussed the matter either. We cannot follow a pre-established pattern in view of the situation that has arisen in the designation of an alternate site, since we did not expect it.

More questions, ladies and gentlemen?

Thank you for listening to us. We appreciate your questions, and we reiterate that we have stated what we sincerely feel and believe, and how we see the problem.

Good evening.

8926

CSO: 3248/193

CUBA

PRICE MARKINGS NOW OBLIGATORY ON RETAIL CONSUMER GOODS

Havana GRANMA in Spanish 16 Nov 84 p 1

[Text] As an effective measure to protect the consumer and with a view toward facilitating control of the commercial function and the adherence to discipline in retail prices, starting on 1 January it will be compulsory to print the price of the consumer goods allocated to the population on their labels or in some other clearly visible place.

For some time, the retail prices of ready-made clothing and footwear produced in the country, as well as medicines, have been indicated. This practice also affords suitable control of prices by the state inspection organs and the population itself, in a quick and easy manner.

For any new consumer good, the producer (if it is manufactured in the country) or the dealer (if it is imported) will be required to indicate the retail price of the products.

In the case of consumer goods already assimilated by business, but without their retail prices printed, the producers or dealers (as the case may be) or the agencies to which they are subordinate, must submit to the State Price Committee their proposal for a timetable for the indication of the retail prices in the manner now prescribed.

The experience of the socialist camp in this respect has shown the advantages when each of the consumer goods allocated for the population has its retail price visibly printed, a price that must correspond to the one published on the Official Price Lists.

If a producing or commercial enterprise (as the case may be) indicates a retail price incorrectly on a product, it will be obliged to make compensation to the commercial system for the expenses of remarking and the losses due to improper application of the price.

In the event of an official change in the retail price, the marketing enterprise will be required to remark the commodity in question. The recovery price for glass containers is not included in the price of the product, and thus must be specified on the label. When a consumer good is made with several types of quality, the retail price corresponding to each type of quality will be affixed.

2909

CSO: 3248/201

CUBA

NEW SAVINGS PLAN, SERVICES TO BE OFFERED

Havana GRANMA in Spanish 23 Nov 84 p 3

[Excerpts] Thus far in the 5-year period (1981 to 31 October 1984), the increase in the population's savings accounts has totaled over 534 million pesos, with an average growth index of 15 percent per year, according to Oscar Alcalde, president of the People's Savings Bank, speaking during a lecture that he delivered in this capital on the occasion of the Second Congress of the National Association of Cuban Economists (ANEC).

Alcalde said that it was in 1981 that a real increase in the population's monetary savings began, reaching 170.5 percent in October of this year. During the last 10 months, the population had increased its savings by 104 million pesos, but the People's Savings Bank proposed to attain 120 million by the year's end and to hail the Third Congress of our Communist Party with an increment of 200 million pesos in monetary savings.

Alcalde announced that soon a new people's savings plan, called "fund formation," will be put into effect, whereby the worker will be committed to the bank to keep his account without withdrawals for a certain amount of time, and to increase it by a sum stipulated in the agreement, which will be deducted from his pay. These savings accounts will earn 2 percent interest from the first deposit, even though it may be less than 200 pesos. If the worker decides to withdraw his money before the time agreed upon, because he has a perfect right to do so if he deems it feasible, he will lose all the accrued interest and will have to pay a penalty of 5 pesos for the expenses of the banking service.

Another benefit that the People's Savings Bank will put into effect later is the payment of all the bills and amortizations of its customers, by means of a deduction of a portion of their pay.

Alcalde noted that, at present, 49 percent of the transactions of the People's Savings Bank are carried out on schedules on which its agencies did not previously work. The continuous 12 and a half hour schedule has facilitated the population's visiting the savings banks.

At the present time, there are 433 offices completely specialized to serve the people in 151 of the country's municipalities. Alcalde said that the index totaled 22,869 inhabitants per office, and that at the end of the 5-year period the number will be 20,000; adding that it is their ambition to reach the figure of 10,000 inhabitants per office by 1990.

CUBA

TRAFFIC DEATHS AT HIGHEST LEVEL IN 25 YEARS

Havana GRANMA in Spanish 30 Nov 84 p 3

[Text] The number of fatalities resulting from 14,525 traffic accidents which occurred during the first 10 months of this year totals 1,195, representing 137 more victims than during the same period last year, and the highest number of deaths for this reason during the 25 years of revolution.

Nevertheless, there were 65 fewer accidents than in 1983; which shows that the accidents occurring in 1984 were more serious and had a higher number of victims killed.

During these 10 months the injuries amounted to 10,273, representing 1 percent less than last year's figure.

The provinces which reported an increase in accidents during this period were: Camaguey, with 113; Holguin, with 88; Ciego de Avila, with 52; Matanzas, with 47; and Sancti Spiritus, with 41. Those with an increase in the death rate are Holguin, with 50; Sancti Spiritus, with 41; City of Havana, with 33; Cienfuegos, with 11; Camaguey, with 6; Isle of Youth and Guantanamo, with 2 apiece; and Ciego de Avila and Granma, with 1, respectively.

During the past 9 years, over 11,000 persons have lost their lives in our country as a result of these accidents; in other words, an annual average of 1,242; which, according to data from Public Health and the National Traffic Directorate, means that traffic accidents rank among the major causes of death in the country.

When the figure on deaths caused by this is analyzed, one notes that an upward trend has been maintained. In 1976, there were 3.7 deaths for every 100 accidents; in 1983, that rate rose to 7.2; and, this year, the danger has increased, with a rate amounting to 8.2 deaths for every 100 accidents.

The main causes affecting the coinciding of traffic accidents and their consequences are: excessive speed, not giving the right of way, not heeding control of the vehicle, pedestrian's breaking the traffic rules and the drinking of alcoholic beverages by the drivers of vehicles.

There are also other causes which, although to a lesser extent, are conducive to accidents as well: namely: the condition of the vehicle, the deterioration of roads, the lack of safety measures in mass transportation and on freight vehicles; situations which prove that many of the accidents are avoidable, because in every incident of this type that occurs, at least one violation of the traffic regulations is committed.

2909

CSO: 3248/201

CUBA

BRIEF

FIRST TOURIST FLIGHT FROM VIENNA--Vienna, 27 November (PL)--Today, the Vienna-Havana air route was opened with the first regular tourist flight between the two capitals. An airplane of the Aerocaribe company took off from the Vienna airport on a charter flight, with 160 passengers, materializing an agreement recently signed between the Austrian tourism firm, Pegasus, and Cubatur [National and International Tourist Enterprise]. Officiating at the opening ceremony were the Cuban ambassador, Gustavo Mazorra, and the general director of Pegasus, Erdal Ilicali, who gave a toast together with the passengers to the happy occasion, at a lively cocktail function, entertained by the musical ensemble, Los Latinos, interpreter of the "salsa" rhythm in Austria. Ambassador Mazorra told Prensa Latina that, with the start of these flights, which will be repeated every 2 weeks, another step has been taken in the development of friendly relations between Austria and Cuba, which underwent a considerable heightening last year. He added that Cuba is becoming an important tourist center for Austrians. Aerocaribe plans three more flights during the remainder of the year, scheduled for 11, 23 and 31 December, and an additional 11 up until 4 June, with departures from Vienna and over the same time period. [Excerpts] [Havana GRANMA in Spanish 28 Nov 84 p 1] 2909

CSO: 3248/201

ECUADOR

BRIEFS

CONGRESS ESTABLISHES FOUR COMMITTEES--Yesterday the National Congress resumed electing the key members of the Budget, Economic, and Agrarian committees and also established four legislative committees. In keeping with the distribution of seats agreed upon through parliamentary accord that ended the political crisis, of the 28 positions on the four committees, that is seven on each committee, 10 belong to the Democratic Left bloc, three to the Alfarist Radical Front, two to the MPD [Democratic People's Movement], two to the Ecuadoran Roldosist Movement, two to the Popular Democracy-Christian Democratic Union, one to the FADI [Broad Front of the Left], one to the Socialists, and one to Democratic Party. Three positions will be occupied by the National Reconstruction Front and the remaining three will be occupied by Concentration of Popular Forces [CFP] militants. In yesterday morning's session, the Congress resumed nominating members to serve on the budget, economic, and agrarian committees. Prior to that, the Congress rejected a motion presented by CFP Deputy Averroes Bucaram that no legislator should serve on more than two committees. The appointment of alternative members to these parliamentary organizations as well as the election of members of the Tribunal of Constitution Rights [Tribunal de Garantias Constitucionales] is expected to take place in this morning's session. [Text] [Quito Voz de los Andes in Spanish 1130 GMT 16 Jan 85]

FEBRES CORDERO ON WAGE INCREASES--Ecuadoran President Leon Febres Cordero stated in Guayaquil that the country's workers must receive wage and salary increases which fairly and adequately reflect the year's inflation rate. Thus, the increases must take into account the following indicators: the salary increases and the increase in compensations, said Febres Cordero. Referring to his administration's recent increase in fuel prices, Febres Cordero said that it became necessary to adopt these measures in order to correct the demagogic errors of the previous administration. However, the Ecuadoran people must be fully assured that these measures will be compensated through wage increases, the president added. Febres Cordero regretted that the Executive Branch was not empowered to unilaterally grant the wage increases in order to save time and immediately (?pass along) these benefits to most Ecuadoreans. [Text] [Quito Voz de los Andes in Spanish 1230 GMT 20 Jan 85]

BREAK IN AT ID OFFICES--Five armed men wearing masks broke into the offices of the Democratic Left before dawn yesterday. They arrived at approximately 0500, broke through the office's chain, evaded the security system, and entered. They destroyed furnishings and took important documents from the party headquarters. Democratic Left leader Xavier Ledesma Ginatta stated that his party has suffered many and varied aggressions that include a break-in at the Quito party offices and the relentless persecution of its leaders and followers, who are the object of all kinds of reprisals by the government. He said that the break-in was obviously politically motivated. [Text] [Quito Voz de los Andes in Spanish 1130 GMT 28 Jan 85]

CSO: 3348/328

MEXICO

METROPOLITAN AREA COST OF LIVING RAW DATA

Eggs: 250-300 Pesos

Mexico City EL DIA in Spanish 10 Nov 84 'Metropoli' suppl. p 9

[Text] Naucalpan, Mexico, 9 November—Some unscrupulous merchants in the Naucalpan-Zaragoza-Tlalnepantla (NZN) zone persist in hiding their eggs and imposing certain conditions for selling them.

This was verified in supply centers and grocery stores in Naucalpan, Atizapan and Tlalnepantla.

The local delegation of the Federal Consumer Prosecutor's Office has launched an intensive campaign to curb the hoarding and overpricing of eggs, reported the head of that office, Rene Rocha Hernandez.

Desperate to obtain eggs, housewives have had to go to outlets and supermarkets of the National Company for Basic Commodities (CONASUPO), where the product is not always available.

Several people interviewed at random reported that eggs have been sold on poultry farms in small quantities at 250 to 300 pesos per kilo.

Beans at 300 Pesos

Mexico City EL DIA in Spanish 13 Nov 84 'Metropoli' suppl. p 9

[Text] Naucalpan, Mexico, 12 November—Only in a few stores in the NZN zone are merchants selling beans at the official price, claimed Miguel Sanchez Aleman, leader of the Confederation of Mexican Workers (CTM). He added that in many commercial establishments, a kilo of beans sells for 300 pesos.

The labor representative complained that many unscrupulous merchants are hoarding beans to "sell them at gold prices" this coming Christmas.

During a tour of the area, it was discovered that on Morelos and Estacas Streets in Naucalpan; on Avenida Juarez in Atizapan; and on Revolucion, Porfirio Diaz, Abasolo and other streets in Tlalnepantla, where the main

stores are located, only a few provide supplies to small merchants and to the general public.

Some merchants interviewed at random reported that many of their colleagues speculate with this food item, which is used in most Mexican dishes, because of the small profits they are able to obtain. Often they prefer simply not to sell it.

During the tour, several hundred sacks of beans were observed in the streets of the above-mentioned towns, and when asked if they were for sale, merchants said no.

Tomatoes, Chiles, Other Vegetables

Mexico City EL DIA in Spanish 19 Nov 84 'Metropoli' suppl. p 9

[Text] Naucalpan, Mexico, 18 November--Prompting protests and the irritation of housewives and consumers in general, the price of tomatoes soared to 260 pesos a kilo in collection centers and markets in low-income areas. This very week they were priced at just 200 pesos.

During a tour of the suburbs of Naucalpan, such as Lomas de Occipaco, Mexico 68, Colinas de San Mateo, Praderas, Casas Viejas, La Presa, Francisco Villa, Rincon Verde, San Mateo, Jardines de San Mateo, etc., we saw how tomato prices had gone up.

Along the same lines, green tomatoes went up to 150 pesos a kilo; serrano chiles to 125 pesos a quart; poblano chiles to 350 pesos; yellow onions to 150 pesos; green onions to 200 pesos; white potatoes to 80 pesos; and yellow potatoes to 80 pesos.

Fruits also rose in price: a kilo of bananas sells for 80 pesos; papayas, 150 pesos; oranges, 400 pesos, etc.

Beef, Pork

Mexico City EL DIA in Spanish 23 Nov 84 'Metropoli' suppl. p 9

[Text] The price of beef rose to an average of 800 pesos in the Naucalpan-Zaragoza-Tlalnepantla (NZZ) zone, prompting protests by housewives and consumers in general.

During a survey conducted in the markets of the low-income neighborhoods, it was learned that beef scraps with bones (the most commonly purchased food) costs 500 pesos per kilo.

Miguel Zepeda Martinez, head of the Union of Butchers of the Valley of Mexico, asserted that these prices will be charged "come hell or high water" during the end of the year, and then will go up to 1,000 pesos per kilo of solid meat (beefsteak).

Our informant claimed that if the product's price goes any higher, the butchers themselves will suffer, since it is highly likely for sales to plummet when housewives decide to boycott the product due to its high cost.

Meanwhile, the price of pork, which is not officially controlled, is 700 pesos per kilo.

Three Qualities of Beef

Mexico City EL DIA in Spanish 25 Nov 84 'Metropoli' suppl. p 9

[Text] Meat scraps with bones (considered the most commonly consumed food) are moving farther and farther beyond the reach of workers' pocketbooks, as the three different qualities range in price from 300 to 500 pesos per kilo.

This assertion was made by Dolores Velazquez, secretary for women's action of the Confederation of Low-Income Neighborhoods of the State of Mexico.

Mrs Velazquez explained that as of this week, butchers in the markets have begun selling three different qualities of meat scraps with bones:

Eighty percent bone and 20 percent skin, selling for 300 pesos per kilo.

Fifty percent solid meat and the remainder bone, 400 pesos per kilo.

Eighty percent solid meat and the remainder bone, 500 pesos per kilo.

Miscellaneous parts, such as feet, heart, liver, lungs, tripe (large and small intestines), tongue, etc. have gone up in price by 50 percent, to the detriment of housewives and consumers, concluded Mrs Velazquez.

'Abuses' by Peddlers

Mexico City EL DIA in Spanish 26 Nov 84 'Metropoli' suppl. p 9

[Text] Naucalpan, Mexico, 25 November--Street vendors who belong to the Union of Marketers of Naucalpan, headed by Enrique Gasca Miranda (who has been elected councilman in the next city government), are truly abusing housewives and general consumers by selling beef for 850 pesos a kilo and raising the prices of other basic commodities such as eggs, tomatoes and beans.

This was asserted by Dolores Velazquez, secretary for women's action of the Confederation of Low-Income Neighborhoods of the State of Mexico.

She complained that a kilo of eggs is sold by the unscrupulous marketers for up to 300 pesos; a liter of oil sells for 300 pesos, and meat scraps with bones for 400 pesos.

Other products subject to speculation by merchants and market operators in Naucalpan are vegetables, fruits, chicken, fish, and more, concluded Mrs Dolores Velazquez of the Confederation of Low-Income Neighborhoods.

Varieties, Brands of Milk

Mexico City EL DIA in Spanish 27 Nov 84 'Metropoli' suppl. p 8

[Text] A liter of "bronca" milk is selling for 75 pesos in the low-income neighborhoods of the Naucalpan-Zaragoza-Tlalnepantla (NZT) zone. Milk under the brands Chipilo, Trini, Estrella de Xalpa and others is being sold for 59 to 70 pesos a liter.

This was verified by a survey of the principal dairy stores and authorized outlets in the region.

In the stables of the NZT zone, a liter of "bronca" milk sells for 75 pesos, claimed Dolores Velazquez, head of women's action for the Confederation of Low-Income Neighborhoods in this area.

She added that some of the dairy stores that are violating official price controls are located in the markets of Pochteca, in the municipal seat of Naucalpan; Filiberto Gomez, in Tlalnepantla; and Ignacio Zaragoza, in Atizapan.

The main vendors accused of violating official price controls are: Distribuidores de Leche Ojo de Agua, La Conchita, La Viga and the El Olivar stable. Among producers, complaints have been lodged against Alpura, Lala, Xalpa, Chihuahua, Boreal, Chipilo and Trini.

Bread Varieties

Mexico City EL DIA in Spanish 28 Nov 84 'Metropoli' suppl. p 9

[Text] Naucalpan, Mexico, 27 November--Since officials of the Secretariat of Commerce and Industrial Development (SECOFIN) have refused to authorize a new increase in the price of white bread (rolls and loaves), bakers are making bread in the form of "flautas," or are putting just one groove in the loaves instead of the traditional two, and then selling them for 5.00 pesos instead of the official price of 2.00 pesos.

This is asserted by Eduardo Roman Robles, Antonio Trejo and Miguel Sanchez Aleman, leaders of the Confederation of Mexican Workers (CTM).

They added that this devious practice of increasing the price of white bread has extended to nearly all the bread bakeries in the Valley of Mexico, especially in Naucalpan, Tlalnepantla, Ecatepec, Nezahualcoyotl, Los Reyes, La Paz, Tultitlan, Cuautitlan Izcalli, Nicolas Romero, Huizquilucan, etc.

For example, at the San Bartolome Bakery on Avenida 16 de Septiembre, close to the corner of Via Gustavo Baz, with no street number, rolls and loaves are being sold for 5 pesos each under the name of "Spanish bread." Commerce authorities are ignoring this violation, according to the labor leaders.

In the same bakery, only a small number of rolls or loaves are put out, and they grow cold in the afternoon or evening. Then the baker, a foreigner,

takes out the so-called "Spanish bread" loaves and sells them to housewives and general consumers for 5 pesos.

These loaves, as well as "flautas," "bollos" and "barras," weigh approximately 50 grams each and are sold for 7 or 8 pesos apiece, arousing protests by consumers.

Obviously, conclude the leaders, bakers stop making the few rolls and loaves very early in the morning, which forces people to buy bread in the other forms under different names.

8926

CSO: 3248/188

MEXICO

CHIHUAHUA: PAN-CONTROLLED CITIES DENIED FUNDING FROM STATE

Monterrey EL NORTE in Spanish 8 Jan 85 p 1-A

[Excerpt] Chihuahua, 7 Jan (UNIV)--State Governor Oscar Ornelas made known today that neither the municipality of Chihuahua nor that of Ciudad Juárez will receive economic assistance from his government.

"These municipalities already have considerable budgets at their disposal and receive assistance from the federal government," the governor explained.

The budget available for this year, said Ornelas, will be channeled for the most part to the municipalities lacking resources and experiencing serious problems, both with their roadways as well as those most essential services of drinking water, town planning, and others.

He added that the 28.3 billion pesos [approximately \$U.S. 141.5 million] budgeted for this year are earmarked for priority projects and that the educational sector will constitute an important heading.

He denied that the exclusion of these two municipalities was on account of their mayors' being members of the National Action Party (PAN).

"These municipalities," he maintained, "have abundant resources of their own, which will allow them to cover their requirements comfortably."

CSO: 3248/212

MEXICO

SOSA MARTINEZ SELECTED TO LEAD OIL WORKERS' UNION

Mexico City EXCELSIOR in Spanish 7 Dec 84 pp 1-A, 15-A

/Article by Humberto Abanda and Jaime Contreras/

[Excerpt] Yesterday, Jose Sosa Martinez, who is 65 years old and has been employed by PEMEX [Mexican Petroleum] for 39 years, was elected secretary-general of the SRTPRM (Revolutionary Trade Union of Petroleum Workers of the Mexican Republic) for the 1985-1987 term. Fidel Velazquez, who closed the election meeting, said that Miguel de la Madrid "really is a friend of the workers even though some people would like to drag him to the other side."

Joaquin Hernandez Galicia -- who took the protest to the new executive committee -- became deputy secretary-general and Salvador Barragan Camacho was appointed chairman of the National Vigilance Commission after finishing a special tour of duty of 5 years in the office of the secretary-general. Sebastian Guzman Cabrera was appointed national policy coordinator.

Hernandez Galicia was approved as the man in charge of the Social and Revolutionary Works Directorate of the SRTPRM with the title of chairman.

The surprising appointment of Sosa Martinez, who comes from Tampico, took place during the last session of the 18th Petroleum Convention. Everybody had been speculating on the re-election of Barragan Camacho, the appointment of Hernandez Galicia or of the leaders Sebastian Guzman Cabrera or Wildrido Martinez, from the southern zone.

Sosa Martinez, spokesman of the National Vigilance Commission of the SRTPRM during the prior management, admitted that he had no work program. "You know that we did not know until the very last moment who was going to be secretary-general," he told reporters. But he added that he intends to propose the food program headed by Hernandez Galicia.

The new secretary-general, who is considered to be one of the most experienced leaders in the matter of collective bargaining contract revision, since he participated in eight of them, came out against being asked any captious questions, such as those having to do with the differences between the union and PEMEX. "There are differences, such as there could exist in any family, but there are no disagreements," he assured his audience.

MEXICO

PSUM HEAD MAKES CASE FOR ELECTORAL ALLIANCE OF LEFT

Mexico City EXCELSIOR in Spanish 13 Dec 84 pp 4-A,33-A

/Text/ The PSUM /Unified Socialist Party of Mexico/ yesterday invited all left-wing parties and groups to form an election alliance to strengthen unity and to establish a common front in areas where elections will be held. This coalition will not affect the registration of any of the parties, said Pablo Gomez, PSUM secretary-general.

He added that the only restriction which the PSUM has established is that the groups participating in each area exist in real terms and avoid running "phony candidates" who damage the left and harm its prestige.

He pointed out that a left-wing coalition in Mexico City could represent a very important change in the election situation and mentioned some data drawn from the statistics of the Federal Election Commission for the 1982 election of deputies.

The PRI /Institutional Revolutionary Party/ had already lost an absolute majority of the votes in the Federal District and its percentage shrank to only 48 percent.

The PSUM got 9.81 percent of the votes and the entire left accumulated 19.5 percent.

The PAN /National Action Party/ came away with 27.3 percent but the left got more votes than National Action in 11 districts.

This, Pablo Gomez added, shows that one out of every five voters in 1982 cast his vote for the left; it shows that there is as yet no two-party trend in the Federal District because the left is an election alternative; it shows that the left meets all conditions for becoming the force that would challenge the PRI for the majority and it can exploit the fact that there are no longer any absolute majorities in Mexico City and that election victories can be won with a relative majority.

The conclusion to be drawn from the data and the above considerations -- Pablo Gomez announced -- indicates that the left could win an election victory in the country's capital.

Here, said the leader, there must be no obstacle to working out an agreement on an alliance. It would be necessary to figure out in what other parts of the country the situation is similar, he concluded.

5058

CSO: 3248/184

MEXICO

GOMEZ, GASCON FACTIONAL SPLITS DOMINATE 10TH PSUM CC PLENUM

Absences Force Late Start

Mexico City UNOMASUNO in Spanish 15 Dec 84 p 5

[Text] The 10th National Plenum of the PSUM [Unified Socialist Party of Mexico] was about to fail in view of the lack of a quorum and, during its first session -- with only about 38 members present out of the 72 who make up the Central Committee -- all it did was to read a document relating to the first point on its meeting agenda: the point concerning the terms proposed by the leadership to hold the National Election Assembly from which are to emerge -- tentatively on 9 and 10 February -- the party's candidates for the position of federal deputy, that is to say, both for positions with several nominees and positions with only one nominee.

The plenum, which originally had been scheduled for 1000 in the PSUM Building, was delayed by almost 8 hours due to the failure of its members to arrive on time.

The convening notice also included another two points: one concerning the revision of the PSUM regulations and another regarding the holding of a socialist youth and women's conference.

All points were challenged by the dissident group which disagrees with the current PSUM leadership and which is headed by Pablo Gomez because it is believed that "there is some funny business" behind these actions.

Regarding the central aspect of the plenum which will continue today in the Reforma Hotel in this city and which will be devoted to the makeup and orientation to be given to the National Election Assembly, it was indicated that there is an obvious intention on the part of the PSUM leadership -- which is made up almost entirely of members of the former Communist Party or at least the most important posts are held by such persons -- to capture and manipulate the candidacies.

Concerning the second point, which has to do with amendments to the regulations, it was indicated that this was included due to internal pressure deriving from the fact that many Central Committee members disagree with the way in which the standards in that document were being applied in favor of the so-called Political Commission -- today made up of 21 Central Committee

members -- which in reality is the body that makes the decisions for the PSUM and which -- it was charged -- wipes out any internal democratic action.

Members of the dissident group within the PSUM pointed out last night that there is every reason to think that the PSUM leadership, headed by Pablo Gomez and Arnolando Martinez Verdugo, persists in its "electioneering" action which is only designed to get deputies in and which forgets the central actions listed in the documents that give life to the party itself.

It was indicated that today, as the discussion is opened, the polemic will inevitably drift toward the central issue that has kept the PSUM members busy in recent months, in other words, the crisis which is due to a lack of real leadership and internal democratization.

Today the plenum starts its second day in the face of the noticeable absence of its top leaders who, in collateral meetings, expressed their disagreement with the crisis in which the PSUM finds itself due to the insistence of the former leaders of the PCM [Mexican Communist Party] to hold on to and control the main jobs in the new party. "They refused to accept the fact that their Communist Party no longer exists," it was remarked.

Several Agreements Reached

Mexico City UNOMASUNO in Spanish 17 Dec 84 p 4

[Article by Roberto Vizcaino and Roberto Santiago]

[Text] Without resolving the conflict of a serious difference that even touches on ideology, the PSUM Central Committee last night closed its 10th national plenum with at least three concrete resolutions:

That the National Election Assembly be held on two consecutive Sundays, the last Sunday in February and the first Sunday of the following month, so that the formal campaign of the party's 100 opposed and 300 unopposed candidates can begin on the second Sunday in March;

That a policy of alliance be pursued throughout the country with other left-wing groups in accordance with the thinking and position of each of the two groups that have emerged within the Central Committee;

And that the campaign of each of the candidates to be run be conducted in accordance with the group to which he belongs; thus, those who belong to the group directed by Pablo Gomez, with the former members of the PCM, would base their campaign on the fight against the rise of the Right as represented by the National Action Party, while the members of the dissident group headed by Alejandro Gascon Mercado would base their campaign on directly questioning the policy of the Mexican state which, in their judgement, is the policy that must be opposed.

Due to the difference in the positions of both groups, the discussion during this 10th PSUM plenum continued longer than estimated and the discussion on possible amendments in the regulations and the conduct of meetings of other sectors was left for another plenum which will be held this coming January.

The confrontation and the differences within the PSUM thus persist and the result of the 10th plenum was only one resolution which should not lead us to harbor hopes of a unity that does not exist, it was said.

The Gascon group will prevent the PSUM from allying itself with the PPS [Popular Socialist Party] and the PST [Socialist Workers Party] in the following states: Northern and Southern Baja California, Sonora, Sinaloa, Nayarit, Durango, Chihuahua, Nuevo Leon, Guerrero, Yucatan, Tabasco, Chiapas, Oaxaca, Tlaxcala, Aguascalientes, Campeche and probably Veracruz. In these areas, it was said, an effort would be made to work out an alliance with the areas, it was said, an effort would be made to work out an alliance with the PMT [Mexican Workers Party] and the PRT [Revolutionary Workers Party]; these are parties with which there are no great ideological differences and which have not slipped into the kind of revolutionary demagoguery employed by the PPS and the PST, it was said.

These two groups furthermore agreed to establish the Accreditation [Credentials] Commission -- which will be the body that will decide on the registration of delegates to the National Election Assembly -- with seven members from the leadership group of Pablo Gomez, six members from the dissident group headed by Gascon Mercado, and two members from the MAP [Popular Action Movement]. Through this commission, the leadership group of Pablo Gomez in fact accepted the influence represented by the dissident group which even includes members of the old Communist Party.

The resolutions of the 10th plenum produced an initial reconciliation -- which does not in any way signify the victory of either of the two groups -- to guarantee the participation of the PSUM in the next election campaign for the position of federal deputy and it reliably guaranteed that those who get into the Lower House will be the representatives of the PSUM rank and file in the country.

5058

CSO: 3248/166

ST CHRISTOPHER-NEVIS

SIMMONDS IN MIAMI SPEECH CALLS FOR GREATER U.S. AID

Basseterre THE DEMOCRAT in English 15 Dec 84 pp 3, 4

[Address by the Right Honorable Dr Kennedy Alphonso Simmonds, prime minister of St. Christopher and Nevis, at the Miami Conference on the Caribbean and Caribbean Basin Initiative, 6 December 1984]

[Excerpts] Mr Chairman...Brothers and Sisters of the Caribbean Basin:

We are truly a tropical twin-island paradise beckoning to the serious, honest investor who recognises the value of striving for mutual benefit for himself and also for the community that gives support to his investment. We offer no haven to the charlatan who would see our people only as chattel to be used and sacrificed on the altar of profit by exploitation.

Exploitation has left its mark upon us, the mark of monoculture and its attendant underdevelopment. The government which I have the honor to lead now in the second term of office has embarked upon a vigorous programme of diversification. In addition to our current thrust to attract foreign and local investment into Industry and Tourism, we are also diversifying within the Agricultural Sector. There is no paradox in our Carib name "Liamuiga-The Fertile Isle." It aptly describes the island of St. Kitts.

I say therefore to those of you interested in primary agriculture and agro-industry, including those from Florida who mistakenly sometimes regard your State as tropical, I invite you to visit St. Kitts and Nevis and pursue with us the possibilities of investing in agricultural projects in the Garden of Eden. You can rest assured that your crops will not be destroyed by frost, snow or even cold weather.

You have the markets, we have all the other ingredients needed for profitable agricultural enterprises--fertile land, water, friendly productive people, International Airport, and container port facilities. This could be a Marriage made in Heaven.

We in St. Kitts and Nevis intend, as a matter of policy, to be innovative. We have no choice, because the International Economic Community has not yet come to grips with the reality that we who are independent island mini-States with populations ranging between 45,000, as is the case of my country, and 200,000, are a new phenomenon. We cannot be judged by the yardsticks set up to reconstruct Europe after World War II.

The standard criteria like per capita income do not give a true indication of the economic realities in countries like mine. By World Bank standards we ought not to be eligible for soft loan funds. The European Economic Community had great difficulty in categorising us as a Lesser Developed Country.

The reality is that we are the only country in the Caribbean whose economy is so completely dependent on sugar. Yet we are the only country in the Caribbean whose sugar quota was cut by our friendly neighbour to the North, the United States, by a massive 25%. Others were cut by 15%.

The net loss to our Sugar Industry, the life blood of our economy, is of the order of E.C. \$5 Million in one year. On the day that this quota reduction became known, my Government was signing an agreement with USAID for funding a soil conservation and water development project to the value of approximately E.C. \$5 million over two years. The result is that while USAID was proposing to give us E.C. \$2.5 million in 1985 with one hand, the Department of Trade was taking E.C. \$5 million away with the other hand in one fell swoop. In addition 25% of the grant is to be spent on consultancies by U.S. Personnel and 20% for goods procured from U.S. sources. That means that 45% of the "Aid" on this project returns to U.S. sources for goods and services. The impact of this fatal blow to our economy can be ameliorated by returning to us our full quota. The 4,000 tons of sugar and E.C. \$5 million involved is so infinitesimal in the U.S. context as to be of no consequence. While to us, on the other hand, it could mean the difference between collapse and survival.

It would appear that it requires starvation, as in Ethiopia, or mayhem and murder as in Grenada, or guerrilla warfare as in El Salvador, to galvanise the developed countries especially the U.S.A. into finding significant and massive sources of aid in levels unavailable to the quiet and stable allies.

The current levels of aid available to those who do not rock the boat are not adequate to address our needs. Also the current system of project assistance though having some merit is deficient, especially when some of the projects are our second and third and fourth choices because donors will not fund these which we in our best judgment believe are most essential to us.

The fact is that while the aid component of the CBI funnelled millions of dollars into Central America, it sprinkled mere pennies into the Eastern Caribbean.

I am calling on the U.S.A. to significantly increase its aid flown to the Eastern Caribbean, in keeping with our strategic importance, and to reappraise the conditions of disbursement to ensure that a greater percentage of aid remains in the recipient countries. To this end, I believe that a Kissinger-type Commission should be appointed for the Caribbean with the utmost urgency.

We in St. Kitts and Nevis, however, are not going to barter our stability for aid. Stability is an important foundation for development, and we have that foundation. We are proud of our tradition of Democracy, actively practised

and jealously cherished. Chapter II of our Constitution guarantees the protection of Fundamental Rights and Freedoms, including the protection from deprivation of property and protection from discrimination on the grounds of race, sex or religion. Our Constitution provides protection for both our own people and investors in our country.

My Government's objective is to make St. Kitts and Nevis a model in our approach to the implementation of our development objectives. We have had in place for some time now, investment incentives provided under our Fiscal Incentives Act, which include tax holidays up to 15 years, export credit, exemption from Customs Duties, repatriation of profits.

In addition we have embarked on a new Legislative Programme designed to enable us to provide financial and other services.

Recent Legislation permits investors to bring U.S. dollars into the country, maintain U.S. dollar accounts in any of the Banks and repatriate such funds simply on request to the Bank in question.

Legislation and appropriate administrative arrangements are already in place to permit the establishment in St. Kitts and Nevis of offshore or tax-exempt companies.

Already in place too is Shipping Legislation to permit registration of ships while Aircraft Registration Legislation is expected to be in place by the end of January 1985.

Our approach is to find out what are the needs of the market place and set out to meet those needs. To this end, our Legislation and Regulations are tailored to ensure that your investment is protected and can be enhanced, while incorporating provisions to ensure that the country will benefit also.

One of our biggest assets in attracting investment to St. Kitts and Nevis is the people who have already invested there. Some of them are taking part in this week's activities, and are enthusiastic salesmen for a product in which they have confidence, the investment climate in St. Kitts and Nevis. They will tell you that you will find a vibrant private sector willing to assist you to settle in. They will tell you that you will find a Government which encourages private sector development and maintains dialogue with the private sector. They will tell you that you will find a people who are friendly, easily trainable, willing to learn and productive, and who will expect to be treated with fairness, understanding and dignity.

I believe that the Caribbean Basin Initiative as proposed by President Reagan has created significant opportunities for the people of the Caribbean, for the American investor and for the people of the United States. All three of us need now to work in harmony to achieve the results originally envisaged.

There is first a need however to return to the original CBI without the present exclusions of some commodities from the Duty Free provisions.

Specifically excluded from Duty Free treatment under the Caribbean Basin Recovery Act are, among other things, textile and apparel articles, footwear, handbags, luggage, leather wearing apparel.

Exclusion in any shape or form is a detriment to the CBI and seriously reduces its ability to be effective.

This is a package designed to help a variety of countries which have different need and capabilities. It is impossible therefore for any one country to produce all of the commodities which would receive Duty Free access under the CBI. In some cases a country may only be able to produce one or two items. In these circumstances, it is inevitable that an item which is excluded may be the very item which would have permitted that country to benefit from the CBI. In the case of St. Kitts and Nevis the exclusion of leather goods and shoes affects us adversely. We have a Shoe Factory, Caribbean Shoe Manufacturers Limited, a joint venture enterprise between Government, local private sector, Trinidadian private sector, and Caribbean Development Bank which

produces a good quality shoe like the one I'm wearing now. Access to the U.S. Market would make it feasible for us to expand, help us to employ more people, and improve our export capability.

Those who support exclusions have been motivated by the fear that competition would result in a loss of U.S. jobs. There is no basis for such a fear, because the level of production possible in the whole Caribbean though big enough to have a beneficial effect on our economy, is so small with respect to the total U.S. production that it would result in no significant loss of market share of U.S. Enterprise, but rather would provide a variety in the market place and more likely cause an expansion of the market.

In addition, it should be recognised that the original CBI, properly implemented would increase manufacturing throughout the region. Without a doubt 90% or possibly more of the equipment would come from the U.S., especially because most of the investment will be U.S. Investment. This will increase the export of manufacturing equipment by the U.S. and would therefore increase employment in that sector of the economy.

It is absolutely essential that the element of mutuality be returned to the C.B.I. It will be effective only if the people of the Caribbean, the people of the U.S. and the American investor can all benefit. The C.B.I. as originally proposed by President Reagan still has the potential to achieve genuine mutuality of benefit.

To be perfectly frank, up to now the CBI as presently constituted has produced absolutely nothing for St. Kitts and Nevis. Let me however, not be misunderstood. In the beginning I said I regarded it with "cautious optimism", I made several trips to Washington to speak with Congressmen, Senators, Staffers and others in support of it. I recognise that it is a twelve-year programme which has the potential to provide sound, meaningful development to the region.

However, we cannot feed our people on unrealised potential, we cannot provide jobs with promise unfulfilled; nor can we provide the housing, education and health care our people need with dreams unmaterialised.

We must pool our resources and work together to see to it that the potential is realised. You the investors of the United States must impress upon your Government, your Congressmen and your Senators that the economic health of these island nations which form the "soft under-belly" of the U.S.A. is essential to our security and well-being and also essential to the security and well-being of the United States.

CSO: 3298/301.

ST CHRISTOPHER-NEVIS

PAPER CALLS FOR ADHERENCE TO CARICOM RULES OF ORIGIN

Basseterre THE DEMOCRAT in English 17 Nov 84 p 2

[Editorial: "Need for Vigilance and Accountability"]

[Text] The news of the past few weeks have raised many questions in the minds of concerned West Indians, and we are left to wonder how much more patience and understanding the people of these islands will be called upon to exercise.

The latest happening centres around the alleged breach of the Caricom, and more particularly the East Caribbean Common Market rules of origin for goods eligible for special treatment under existing trade arrangements within the area. The reports indicate that a company in Antigua is suspected of passing off as a Caricom product beer brewed in America but merely bottled in Antigua.

Such a step is causing great concern in St. Kitts and St. Lucia, two countries of the East Caribbean Common Market in which beer is brewed. In fact, St. Lucia has threatened to place a ban on paint produced in Antigua if the situation concerning the classification of the American-brewed beer is not quickly and satisfactorily resolved.

Unfortunately, this is not the first time that companies operating out of Antigua have been accused of breaching the Caricom and ECCM rules of origin. Not too long ago it was strongly argued that such companies were importing garments made outside of the Caricom area, labelling them in Antigua, and selling them as Caricom-manufactured goods.

Although Antigua appears to be the country at which an accusing finger is most often pointed, allegations of bad faith have been made against other countries as well as by companies against other companies operating within the same country. Reports suggest that the situation of internal breaching of the rules of origin is most acute in Barbados and that the Government there is making determined efforts to stamp out the practice.

We must all hope that the problem which is presently causing such a great outcry by the manufacturers of beer in St. Lucia and St. Kitts can be speedily resolved, and that all the countries of the Caricom area will constantly monitor the operations of companies claiming to be producers and sellers of Caricom and ECCM manufactured goods to ensure that they are adhering to the conditions required to have goods so classified.

It is only when all countries can feel assured the rules of origin are being observed that confidence in the regional integration movement will reach, and remain at, an acceptable level.

The positive involvement of everyone, including consumers, is needed for this worthy goal to be achieved.

CSO: 3298/301

ST CHRISTOPHER-NEVIS

ASSEMBLY APPROVES 1985 BUDGET; DETAILS REPORTED

Basseterre THE DEMOCRAT in English 15 Dec 84 pp 1, 12

[Text] Like the true statesman he is, the Right Honourable Dr Kennedy Simmonds, Prime Minister and Minister of Finance for the Federation of St. Kitts and Nevis, delivered the 1985 Budget Address on Wednesday of this week in the National Assembly. He did so in front of a packed House and with Z1Z Radio and TV capturing every moment of this very important event.

Prime Minister Simmonds in his first Budget presentation as Minister of Finance, made no pretenses about the responsibilities of his Government to control expenditure and the duty of the citizens of this country to shoulder his or her responsibility in our efforts for National Development. He called on everyone to participate in production and to do his or her part to see that we succeed. He also spelt out the situation this country faces, in plain, simple language for all to understand.

There were gasps of surprise from the Opposition bench area, as the Finance Minister revealed that Recurrent Revenue for 1985 was estimated at \$58.3 million with Recurrent Expenditure at \$56.1 million. This showed a Surplus Budget on Recurrent Account of \$2.2 million and it follows last year's Budget which was completely tax free. It also proves Government's continuing efforts to cushion the citizens of this country against the effects of the increasing cost of living being produced in the outside world.

The Prime Minister and Minister of Finance pointed out that he sought to trim expenditure as much as he can without causing harm to the Public Service and in the debate that followed, he proved beyond doubt that the proposals he made were sound and made good, economic sense. He was strongly supported by his colleagues on the Government benches and received some praise from the Opposition side. Nominated member for the Opposition, Senator Henry Browne, congratulated the Rt. Honourable Prime Minister on the manner in which he presented his Budget, saying that the Budget had much in terms of hope, aspiration and objectives; only to go on later, to present a string of criticisms against the newly elected landslide Government.

In his presentation, the Finance Minister proposed the following Tax increases:

10% on Import Duties on Alcoholic Liquors

Motor Cycle Tax from	\$60	to	\$100	per annum		
Motor Vehicle Tax from	\$124	to	\$200	"	"	
"	"	"	"	\$148	to	\$225
"	"	"	"	\$164	to	\$250
"	"	"	"	\$184	to	\$275
"	"	"	"	\$200	to	\$300
"	"	"	"	\$260	to	\$325

Registration & Change of) from \$2 to \$25
Registration of Vehicles)

Drivers licence " \$10 to \$20

Travel Tax " 5% to 7½%

Bank Licence Fee " \$3,000 to \$5,000

Insurance Licence Fee increased by 50%

Stamp Duties on Land Transfer from 2% to 4%

Airport Service (Locals) from \$3 to \$10
" " (Visitors) " \$8 to \$13.50

Honourable Ralph Gumbs the Nominated Senator on the Government's team which comprises 12 members against 3 for the Labour Opposition, made a very impressive contribution to the debate in what his Maiden Speech in Parliament. Senator Gumbs praised the Budget, congratulated the Prime Minister and Minister of Finance and criticised the Opposition members for their deliberate policy to distort things and mislead people. "Presentations in this Honourable House should be honest" the Senator lectured those opposite and referred to some of what one of them said, as blatant lies.

Other speakers in the debate were: Honourable Michael O. Powell, Deputy Prime Minister and Minister of Labour and Tourism; Hon. Richard Caines, Minister in the Ministry of Finance who seconded the Bill; Hon. Sidney Morris, Minister of Education, Health and Community Affairs; Hon. Hugh Heyliger, Minister of Agriculture, Housing, Lands and Development; Hon. Constance Mitcham, Minister of Women Affairs and Hon. Roy Jones, Minister of Trade and Industry for the Government's side. The three members of the Opposition, Hon. C. Mills, Hon. J.N. France, and Senator H. Browne also participated in the debate but all three left their seats shortly after they had said their piece, thereby missing most of the proceedings.

The National Assembly adjourned "SINE DIE" at about 3 p.m. on Thursday with the Bill entitled the Appropriation (1985) Act, 1984 which encompassed the Budget for 1985, passing safely and securely into law.

CSO: 3298/301

ST CHRISTOPHER-NEVIS

SIMMONDS DISCUSSES SUGAR TECHNOLOGY IN BRAZIL

Basseterre THE DEMOCRAT in English 1 Dec 84 p 11

[Text] While in Brazil for the 14th regular session of the General Assembly of the Organisation of American States, Prime Minister the Right Honourable Dr Kennedy Simmonds opened important discussions with the Brazilian Government on matters of economic cooperation, with special reference to sugar.

The meetings were set up through diplomaic initiatives coordinated by the Washington-based Embassy of St. Kitts and Nevis.

Out of these discussions has emerged the potential for a transfer of Brazilian Technology pertaining to the production of gasohol as a by-product of the manufacture of sugar.

Brazil, a country which produces almost one million vehicles per year, has developed its gasohol production to the point where almost 80% of Brazilian cars are powered by alcohol, a fuel much cheaper than gasoline. In addition, the prime minister discussed the feasibility of Brazilian assistance for the expansion of the facilities of the Deep Water Harbour as a point of trans-shipment for South American goods.

Minister of Agriculture Dr Nestor Jost listened attentively to the prime minister's outline of plans for the revitalisation of our sugar industry.

Prime Minister Simmonds for his part expressed great interest in following up the information received to the effect that Brazil, one of the world's foremost sugar producers, has three crops of sugar cane per year.

The two countries will exchange Trade Missions in the new year.

CSO: 3298/301

ST CHRISTOPHER-NEVIS

BRIEFS

TAIWAN DISASTER RELIEF--A friend in need is a friend indeed! And here is further proof that the Republic of China is a friend of St. Kitts and Nevis. In response to the appeal made by Prime Minister the Right Honourable Dr Kennedy Simmonds for assistance following the damage caused by Hurricane Klaus, the Government of the Republic of China has donated Thirty Thousand U.S. Dollars to the Government of St. Kitts and Nevis. The donation was made yesterday by Charge D'Affaires Mr George Tuan, who is based at the Embassy of the Republic of China, located at Taylors Range in Basseterre. In presenting the cheque for U.S. \$30,000, Mr Tuan expressed his country's desire to assist in alleviating the losses caused in St. Kitts and Nevis by the hurricane with sincere hopes for speedy rehabilitation. Acting Prime Minister, the Honourable Michael O. Powell, in accepting the gift, expressed the gratitude and appreciation of the Government and people of St. Kitts and Nevis, adding that the donation from the Republic of China is very much appreciated, especially as it is the first response to our request for assistance. [Text] [Basseterre THE DEMOCRAT in English 17 Nov 84 p 1]

CS0: 3298/301

TRINIDAD AND TOBAGO

CHAMBERS, ROBINSON TALK; ROBINSON LATER MEETS PRESS

Port-of-Spain TRINIDAD GUARDIAN in English 20 Dec 84 p 1

[Article by Clevon Raphael]

[Text] Chairman of the Tobago House of Assembly, Mr A.N.R. Robinson, emerged from a 40-minute tete-a-tete with Prime Minister Mr George Chambers yesterday optimistic that the stage had been set for resolving the "serious impasse" between Trinidad and the sister island Tobago.

Mr Robinson expressed this view which he spoke to newsmen at the Holiday Inn after the session with Mr Chambers, the first since both met in Tobago in July 1983.

The THA Chairman said the meeting with Prime Minister Chambers dealt exclusively with the Assembly's 1985 Budget proposals sent to the Finance Ministry.

He explained it was arranged in accordance with the THA Act which calls for consultation between the Minister of Finance and the Chairman of the Assembly on the THA Budget, Mr Robinson said:

"The discussions this morning were of a general and exploratory nature for the purpose of reestablishing contact after the great divide of the last few months, and preparing the way, I hope, for constructive action with a view to resolving this serious impasse between the House of Assembly and Central Government, and consequently between Trinidad and Tobago."

Cautioning that any thought that the Government in Tobago was simply Local Government should be immediately dismissed, Mr Robinson said that only Mr Chambers and himself were together for the meeting at Trinidad House.

He told newsmen.

"The moment you classify Tobago as Local Government then you give Tobago an inferior status which is precisely what the people are reacting against.

"The government services which are conducted in Tobago are services such as are conducted in the whole of Trinidad. For example, roads; those fall under the Assembly. Let us take the matter of agriculture; there is no county council or other local government body which is responsible for agriculture in Trinidad.

Great Potential

The Salaries Review Commission, he continued, particularly its first chairman, the late Mr Mitra Sinanan, recognised the difference between the Assembly and local government bodies, hence the recommendation that the status and perquisites of the chairman of the THA be at least equal to those of a Cabinet member.

Mr Robinson found the mood of Mr Chambers yesterday morning as being what would be expected from a Minister of Finance preparing a tough budget. He added that their talks would continue before delivery of the 1985 budget.

Next time around Mr Robinson will take with him the Secretaries of the Assembly and Mr Chambers is also expected to be accompanied by officials of his Ministry.

Stressing that the THA or the Democratic Action Congress of which he is the Political Leader was not about secession, Mr Robinson explained:

"What we are about is development, where there is underdevelopment; what we are about is getting a community which has great potential to realise that potential."

Praising the role of the news media in the THA elections campaign, Mr Robinson also said that such a campaign should never be witnessed again in any election in Trinidad and Tobago. He continued:

"I have been engaged in every crisis this country has been in... I was there when the PNM came into power, the Chaguaramas crisis; I was there with the Federation; I was there when we achieved Independence.

"In all the crises that we have had in Trinidad and Tobago I was there, always on the side of the underprivileged so that inevitably I should be on the side of Tobago in this situation where the people of Tobago are asking for justice, apart from the fact that I belong to that country and I should have a special commitment and special interest."

Mr Robinson said he did not raise any issues relating to the recent THA elections and on the list of priorities for 1985 developing the country's infrastructure occupied a high priority followed by agriculture.

Asked about the leadership issue of the National Alliance for Reconstruction and talk that he was figuring prominently as a candidate for the role, Mr Robinson said:

"For the last 28 years I have been in public life and in 58 years of existence if people still think well of me I am very happy about that... (laughter).

At a special meeting of the THA this afternoon a motion will be passed in support of the free news media in Trinidad and Tobago and another for the establishment of a fund to assist famine victims in Africa.

CSO: 3298/289

TRINIDAD AND TOBAGO

PANDAY WARNS GOVERNMENT OF CONSEQUENCES OF TAX INCREASE

Port-of-Spain TRINIDAD GUARDIAN in English 14 Dec 84 p 7

[Text]

SAN FERNANDO:
OPPOSITION
LEADER Basdeo
Panday issued a
stern warning yes-
terday to the Gov-
ernment.

"If taxes are in-
creased, bringing addi-
tional burden on the
population, the Govern-
ment should resign so
as to save the country
from total collapse."

Mr. Panday said that
there is a great deal of
discussion regarding
the 1985 Budget.

"If the Government
is thinking in terms of
increasing taxes, it
should resign now. The
people are already suf-
fering from a burden-
some tax structure;
subsidies have been re-
moved on a number of
basic items; prices are
too high and the only
purpose the Govern-
ment could have in in-
creasing taxes is to
keep itself in power,"
said the Opposition

Leader.

Mr. Panday has
called on citizens to re-
sist by any tax in-
creases.

He said that what
the Government should

do is to cut down its
own expenditures by
means of eliminating
alleged corruption,
mal-administration
and inefficiency, par-
ticularly at state-
owned enterprises
where millions of dol-
lars of taxpayers
money were going down
the drain.

He is also calling for a
public accountability of
the funds spent in the
election campaign in
Tobago.

The Opposition Lead-
er said his party will be
looking very closely to
the budget presenta-
tion.

He added: "If the
Government has inten-
tions of increasing tax-
es, it should think
twice because we are
going to protest."

CSO: 3298/289

TRINIDAD AND TOBAGO

SUGAR WORKERS BACK PANDAY, TELL HIM TO IGNORE OPPOSITION

Port-of-Spain EXPRESS in English 15 Dec 84 p 2

[Text]

SUGAR workers from the cultivation section of state-owned Caroni Limited, yesterday sent a petition to All Trinidad Sugar and General Workers Trade Union leader, Basdeo Panday, asking that he ignore the opposition to his leadership by Dave Persad.

The petition was sent to Panday yesterday. The petition said that Panday must not resign and neither should he call elections in the union until its statutory time. The petition said: "Panday must stay with us and be our union leader. He is our own."

Recently, a group calling themselves the Sugar Workers for Justice (SWJ)

had been pushing a young lawyer, Dave Persad, to challenge Panday for the leadership. Persad has token support at the two factories but has failed to win a hearing from cultivation workers. Panday is on record as dismissing the threat by Persad as "a mosquito trying to dislodge an elephant."

The petitioners said that Panday had identified himself with the plight of all sugar workers, and had won for them the right to a decent standard of living. The petitioners said: "We acknowledge that with you as the leader we will be able to survive. No one else will be able to do for us what you have done. We owe you gratefully for all you have done for us and our families in making the sugar industry a place where we can earn our livelihood."

TRINIDAD AND TOBAGO

PANDAY CHRISTMAS MESSAGE ONE OF HOPE FOR NATION'S FUTURE

Port-of-Spain TRINIDAD GUARDIAN in English 21 Dec 84 p 3

[Text]

OPPOSITION Leader Basdeo Panday is seeing a bright ray of hope that things will soon change. He said he believed that the new year "holds much of that hope for the nation."

Mr. Panday, in his Christmas message, states:

"As the year 1984 comes to an end, it is tempting for the Opposition to say "I told you so."

"During the debate on the 1984 Budget, both in and out of Parliament, the Opposition warned the population that the policies of the Government would lead to continuing inflation, that our people would suffer a fall in their standard of living as prices continue to rise, that there would be retrenchment and a rise in the level of unemployment, that there would be an enormous Budget deficit, and generally that the economy would experience further decline.

"That no one cared to listen to us or to give us credit for the contributions we were making is beside the point. We have grown accustomed to such reactions in our society. Besides this is not the time for recrimination or criticism but rather the season of goodwill towards all men.

"It is also that time of the year when we celebrate the birth of someone whose message was that of hope and salvation. Despite the temptation to become depressed when we look around and see the state of the economic and social deterioration to which the political directorate has brought us, we must not despair. We must not lose heart or give up hope.

MOST VISIBLE

"In the midst of all the chaos in our once beautiful country, there is a bright ray of hope — the hope that things will soon change. We believe that progressive change in our country will only come when we have the courage to remove what has obviously become an incompetent Government, one which over the past 28 years, has brought the country to the sad state in which we now find ourselves.

"That ray of hope is most visible in the deepening desire among our people for national unity. Whenever one turns one can see the spark of hope in the faces of our nation as they discuss everywhere the need to end the alienation which has been our people's heritage.

"This desire for unity has begun to find concrete expression among the Opposition political parties. With the formation of the National Alliance for Reconstruction (NAR) the long-cherished desire for national unity has begun to become a reality. The hope for meaningful change is no longer a nebulous dream.

"The new year holds much hope for our nation. Let us, therefore, with one resolve, with a million voices in unison commit ourselves irrevocably to the struggle for unity and the struggle for beneficial change.

"Let us pray that almighty God will give us all the courage to put party before self, nation before party and God above all else."

TRINIDAD AND TOBAGO

JOINT NEGOTIATING TEAM SLAMS GOVERNMENT BARGAINING POSITION

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 84 p 15

[Full-page layout resembling, but not specifically identified as, paid advertisement]

[Text] The JNT/Government Impasse

At the meeting of December 11th 1984 the Chief Personnel Officer indicated to the JNT that he would refer the salary negotiations for public servants to the Minister of Finance.

The Law Now Requires That--

- a) the matter be referred to the Special Tribunal, and
- b) an award be made for not less than five years.

JNT Policy:

The JNT asked for a new tax structure, so that Public Servants could accept a small increase--the government said NO!

The JNT asked for control of prices so that Public Servants could accept a small increase--the government said NO!

The JNT asked for indexation to protect the purchasing power of the salaries of Public Servants--the government said NO!

The JNT Accuses the Government of Bad Faith:

The government over a period of five months called upon the JNT to present proposals within the traditional framework of a percentage offer over three (3) years plus a Cost of Living Allowance Formula, as a condition for negotiating. Immediately the JNT complied the government promptly declared that its original offer was in case its final offer.

It had no intention of ever bargaining in the true sense.

The JNT Now Condemns the Government for:

1) Abandoning the Collective Bargaining Process:

The Government offered the Public Servants 6% over three (3) years, met eighteen times with the representatives of the Public Servants, and then indicated that 6% was its final offer all along, in spite of several substantial movements by the JNT.

Even worse, from a position of "Either a wage freeze of 6% or retrenchment" the Government moved to a new position of "both a wage freeze of 6% and likely retrenchment"! This final position had been predicted by the JNT.

The Government was never bargaining--it was staging an elaborate farce!

2) Effectively attempting to impose by statute a five-year agreement on public servants at a time of great financial hardship and economic uncertainty:

Yet the Minister of Labour continues to urge settlements in the Private Sector of four (4) times the Government's ridiculous 6% offer to its public officers!

3) Refusing to face the vital issues raised by the JNT, especially:

- (a) the equitable sharing of the burden of economic adjustment;
- (b) the revision of taxation so as to ease the burdens on the poor;
- (c) the revision of its structure of revenue collection (and now it complains of a revenue shortfall!)

Public servants will decide--while we reflect on the coming of the Christ-child and the hope that event brings--what our response might be, come January, to this latest betrayal by government.

CSO: 3293/289

TRINIDAD AND TOBAGO

BUSINESS, PRESS HIT GOVERNMENT FOR EC-O, OTHER INACTION

Private-Sector Criticism

Port-of-Spain TRINIDAD GUARDIAN in English 21 Dec 84 p 3

[Text]

THE TRINIDAD and Tobago Chamber of Industry and Commerce has warned the Central Bank that a crisis may develop if it continues to refuse to issue a directive with respect to 1985 EC-O applications.

The Chamber, in a Press release, called on the Central Bank and "relevant, competent authorities" to immediately issue a public statement on the matter.

The Central Bank recently advised the Chamber that commercial banks were authorised to revalidate, subject to specified conditions, EC-O approvals which expire on December 31, 1984.

Revalidation would not be automatic and the business community should check with their bankers for details. But the Bank made no announcement as to when EC-O forms for approvals should be submitted.

"The Chamber has made and continues to make urgent representation to the Central Bank regarding the commencement of Form EC-O approvals for 1985," the Chamber reported. "To date, however, no indication has been received as to when these may be submitted."

"The Chamber has repeatedly warned that delay in indicating when such applications will be accepted by the Central Bank can have serious repercussions for the economy and the country."

The situation is reaching "crisis proportions", the Chamber said,

and it will deteriorate as long as the Central Bank does not issue a directive.

WITHOUT DELAY

According to the Chamber, it is important for the Bank to recognise that orders cannot be placed without first obtaining Form EC-O approvals. And because of the time between order and receipt of goods, shortages of a wide range of items can be expected the first three months next year.

In representations to the Central Bank, the Chamber emphasised that it must have a decision regarding exchange approvals for 1985.

"The Chamber has already publicly announced its support for the concept of import management in the present situation of decline in the country's foreign reserves. However, such import management must recognise that if severe disruption of the economy is to be avoided or minimised, decisions regarding this matter must be made and communicated to the public without delay," the release added.

GUARDIAN Attack

Port-of-Spain TRINIDAD GUARDIAN in English 21 Dec 84 p 8

[Editorial: "Dark Side of EC-0s"]

[Text] We do not believe that any member of the governing cabinet of ministers will now choose to deny that the economy of Trinidad and Tobago is now beset by a serious and deepening recession.

The evidence is now frighteningly obvious with a mounting number of firms experiencing critical cash flow problems, the prospect of widespread closures, increasing retrenchment, and even some of the country's best known and traditional business enterprises entering a desperate struggle for survival.

In these circumstances, we expect that the Government would see the need, in their own interest and that of the nation as a whole, to provide the private sector with every possible facility and form of assistance, ensuring also that all unnecessary bureaucratic barriers to business operations are speedily removed.

Crushing

Tragically, however, this has not been the case. Not only is there a continuing and crucial failure of communication between the two sectors at the highest levels on the problems facing the economy, but the bottlenecks to business presented by the EC-0 mechanism are now becoming dangerously counter-productive.

On one side of the EC-0 system is its effect as an instrument for conserving foreign exchange through the control of imports. We do not know of any responsible businessman who has disagreed with this basic intent of the EC-0 device and who has objected in principle to working with it.

Most members of the business community, in fact, would agree that the system has succeeded to some extent in serving that vital purpose.

But the other side of the EC-0 operation presents a most disturbing and distressing picture, one whose negative impact on the conduct of business in the country far outweighs the gains and, indeed, is actually serving to strengthen the crushing forces of the recession.

There is an urgent need to bring the system into the correct balance by appropriate readjustments.

Failure to do so, as Independent Senator Gerald Furness-Smith warned in the Senate on Tuesday, is likely to hasten the collapse of several enterprises who depend on imports to stay in business. One painful result of all this, of course, would be a further rise in unemployment.

Perhaps the intrinsic weakness of the EC-O mechanism lies in the fact that it has been devised and is being operated by salary-earning bureaucrats to suit the organisational rhythms of the public sector without any understanding of the dynamics and exigencies of operating a business enterprise in the country.

That such a system affecting the vital interests of the nation's businessmen could have been constructed and imposed on the country without serious input from the commercial or industrial community is another illustration of the inbred suspicion which the Government holds for the private sector from which it derives a major proportion of its revenue.

This attitude continues to baffle us. If, in these difficult times, the powers that be still cannot see the need for the fullest possible cooperation between the public and the private sectors then the prospects of our country must appear dismal indeed.

It must be a counterproductive policy to attempt to conserve foreign exchange at the cost of throttling business activity to such an extent that some enterprises will suffocate and die.

But this message seems almost impossible to get across as the problems of the EC-O system have now, according to the Chamber of Industry and Commerce, attained crisis proportions.

For example, with the need to revalidate foreign exchange approvals which expire on December 31, businessmen are yet to be told by the Central Bank when their applications for 1985 will be accepted. And without such approvals obtained in advance, they are unable to place any import orders.

Grapevine

As a result, the Chamber points out, shortages of a wide range of items could be expected during the first quarter of next year since a considerable time must elapse between ordering and the receipt of goods.

But apart from this kind of frustrating delay, the EC-O system has become a veritable nightmare for businessmen, riddled with inconsistencies, discrimination, time-wasting bureaucratic procedures, unexplained refusals, lack of co-ordination between Ministry, Central Bank, Customs and Port, absence of trouble-shooting departments and widespread corruption.

Quite often, bona fide businessmen whose import operations are well established find their applications turned down without any explanation yet those submitted by fly-by-night operators are readily approved.

And, according to the business grapevine, there are places where the trader can go, apart from the Ministry of Central Bank, to negotiate his EC-Os.

If it is to serve its purpose and, at the same time, administer properly to the needs of the business community, the EC-O system cannot remain so inflexible. An overhaul is urgently necessary.

CSO: 3298/290

TRINIDAD AND TOBAGO

CHAMBERS' PLANS FOR BALANCING '85 BUDGET REPORTED

Port-of-Spain EXPRESS in English 17 Dec 84 p 1

[Article by Davan Maharaj: "Education Surcharge on the Way"]

[Text]

PRIME MINISTER George Chambers is planning to introduce an education surcharge, further lower the subsidies on petroleum products, and slap a charge on applications for tax exit certificates, in his effort to secure revenue to balance the 1985 budget, the *EXPRESS* found out over the weekend.

The measures, which may be announced in the Finance Minister's budget presentation, must be taken because of what has been described as a "serious revenue problem."

"With a marked decrease in earnings from oil without a corresponding increase in another sector, there is hardly any way out to raise revenue but through taxation," a well-placed source said over the weekend.

A finance ministry official said that calculations regarding the number of tax exit certificates issued each year and its potential as an earner of revenue, have already begun. In introducing the charge for tax exit certificates, the Government, according to a source, hopes that the move will be two-fold. "It is also hoped that the move would act as a disincentive to travel," he added. Last year, the government introduced a 10 per cent sales tax on airline tickets and raised the departure tax by \$15.

According to the official, Chambers and his planners are yet to decide whether they will introduce an education surcharge, a move which is expected to be met with strong public protest as was last year's health surcharge. "The Prime Minister must make economic as well as political considerations because of recent developments," the official said. Some analysts, however, did not rule out the introduction of an education surcharge, saying it may be "moderate."

LOAN PAYMENTS

There are also expected to be further

cut backs in the allocation to ministries. And while allocations have been made to maintain DEWD, county councils will receive less money next year, the source said.

The Government, he said, was still saddled with hundreds of millions in loan payments to foreign banks which divested funds for the establishment of the Iron and Steel Company of Trinidad and Tobago (ISCOTT) and the Mt Hope Medical Complex. "The debt payment must continue and there is no way we can cut back on that one," the official said.

For 1985, the Inland Revenue Department has also been instructed to introduce systems to collect all outstanding taxes and to ensure that all income earners are taxed.

Asked about the date for the budget, the source said it would be decided when the revenue situation was settled.

TRINIDAD AND TOBAGO

BRIEFS

PNM ON UNITARY STATE--General Council of the ruling People's National Movement (PNM) has reaffirmed the party's commitment to the preservation of the unitary state of Trinidad and Tobago. This was done when the council, under the chairmanship of Mr Francis Prevatt, met yesterday. It was the council's first meeting since the PNM lost its bid to wrest control of the Tobago House of Assembly from the Democratic Action Congress in the THA elections held November 26. Also in attendance at the session which analysed the results of the elections was Prime Minister George Chambers, in his capacity as Political Leader of the PNM. In a statement issued after the meeting, it was pointed out that the council analysed the results in the context of its significance to the PNM and noted among other things that support for the PNM at the (THA) polls had increased since 1980 and that 8,200 had voted in support of the party's candidates." Members also pledged the continued development and welfare of Tobago. [Text] [Port-of- Spain TRINIDAD GUARDIAN in English 17 Dec 84 p 1]

ARMS FIND AT AIRPORT--Port-of-Spain, Jan 3--Customs officials at Piarco International Airport seized a quantity of arms and ammunition in the luggage of a Canada-based Trinidadian returning on holiday, airport sources said. A customs officer stumbled on the find when she saw something resembling a gun in the luggage of the 21-year-old man, who was later arrested. The sources said the total find included 31 shotguns, a rifle, 222 rounds of .38 ammunition, 49 rounds of .25 ammunition, 49 rounds of .22 calibre, 25 rounds of 12-gauge shotgun cartridges, and 300 shells. The police were subsequently contacted and searches made at a number of homes in central Trinidad. Further arrests have been made and more ammunition has been found, police sources said. Two men, including the arrested holiday-maker, were being charged this afternoon, the sources added. [Text] [Bridgetown CANA in English 2201 GMT 3 Jan 85]

CSO: 3298/290

TURKS AND CAICOS

BRIEFS

TOURIST BOARD CHANGES--Six new members have been appointed to the Turks and Caicos Tourist Board, whose appointment was published in the official GAZETTE on October 12. New chairman of the board is Ariel Misick, LegCo representative for the West Road District in Grand Turk, and new deputy chairman is the former executive secretary, Norma Outten. Other members are Theodore Higgs, Edmund Ewing, Eben Mills (representative in South Caicos for Bahamas Air), Emmanuel Missick, Victor Forbes, James Stubbs, Violet Talbot, Carol Brooks (assistant manager, TCNA), Tina Fenimore (owner of Kittina Hotel) and Howard Hamilton (owner of Blue Hills Aviation). Former members reappointed are Mrs Brooks, Mrs Fenimore, Mr Mills, Mr Forbes, Mr Hamilton, and Mr Stubbs. The strength of the board has been reduced from 13 members to 12. Former members not reappointed were: Charles E. Been (chairman), Aulden Durham (deputy chairman), Charles Palmer, Mike Spillar, Rosita Butterfield, Larry Coalbrooke and James Morgan. [Text] [Grand Turk TURKS & CAICOS NEWS in English 15 Nov 84 p 2]

AIRPORT REPAIRS--Sections of the Providenciales International Airport runway will be closed, starting from November 30, so that the contractors, Johnston International, may do resurfacing. This was decided during a November 8 meeting between Airport Manager Algernon Dean, Assistant Director of Civil Aviation Lloyd Fraser, TCNA Chief Pilot John Doughty, Public Works Department consultant Roy Halstead and a representative from Johnston International. The first section will be reopened on December 10, when the other section will be closed. However, Mr Dean told the NEWS, everything should be completed by December 19. He said that while the airport is being resurfaced, small aircraft including TCNA's will be able to land there, but not those of Cayman Airways, whose flights will stop over this work period, he said. [Text] [Grand Turk TURKS & CAICOS NEWS in English 15 Nov 84 p 1]

EXTENDED AIR SERVICE--Captain Keith Martinsen, Turks and Caicos National Airline (TCNA) managing director, has announced that the airline will be basing pilots and an aircraft at Providenciales commencing in November. "The opening of a second hub to complement TCNA's operations from Grand Turk will achieve a more balanced service for all the Turks and Caicos Islands," Mr Martinsen stated. He added that in the past, logistics made it necessary for all flights to be focused on Grand Turk. However, he said, the opening of the new base in Providenciales would allow flights to be scheduled to arrive and depart at the times more convenient for the residents of Providenciales, Pine Cay, and North Caicos. "Not only will those islands see more TCNA flights," Mr Martinsen said, "but Middle Caicos and South Caicos, as well as Grand Turk, will see an improved level of service as a result of our increased flexibility. [Excerpt] [Grand Turk TURKS & CAICOS NEWS in English 1 Nov 84 p 2]

VENEZUELA

LEANDRO MORA, DE ARMAS ON RESTORATION OF ECONOMIC GUARANTEES

Leandro Mora's Views

Caracas EL NACIONAL in Spanish 18 Dec 84 p D-5

[Article by Mario Villegas]

[Text] Reinaldo Leandro Mora opposes the restoration right now of certain economic guarantees that have been suspended since the early 1960's. The president of the National Congress feels that conditions are not right for such a move.

Recent news stories have mentioned that the Executive Branch is conducting studies on whether to restore economic guarantees, as private business has been calling for. In the judgment of CORDIPLAN [Office of Coordination and Planning], such a decision is indispensable "to clarify the relationship between government and private economic activity, creating a true climate of confidence and a balance between such freedom and the ownership and interests of the workers."

Gonzalo Barrios, the president of Democratic Action, stated 3 days ago, however, that he does not see why such guarantees ought to be restored, saying that those who are fond of profiteering are very fond of economic freedoms. Former President Carlos Andres Perez asserted, for his part, that economic guarantees cannot be in effect in a country that is in the midst of an economic crisis and that lacks an antimonopoly law.

As we can see, the ruling party does not at all seem to support the administration's reported plans.

The president of the National Congress and AD vice president yesterday came out against the restoration of economic freedoms.

"I think," Leandro Mora stated, "that this is not the time nor are these the best circumstances for restoring these guarantees. It might be possible after a very rigorous assessment of the economic prospects of the lower-income classes, inasmuch as the government has to pay close attention to the relationship between jobs, purchasing

power and supply. I sincerely hope that these guarantees can be restored soon, more or less, but right now is not the time."

One of the newsmen involved in the interview asked him whether the administration had consulted with the AD leadership on the matter. The congressional and party leader replied that his party's National Executive Committee had not analyzed the matter and that he was not familiar with the details "of this alleged proposal."

"Furthermore, the president of the party, Dr Gonzalo Barrios, has put forth an opinion that I am sure enjoys the support of most AD leaders."

Enabling Law

A few weeks ago, Leandro Mora emphasized that the administration ought to take advantage of the last 5 months that the Enabling Law will be in effect, to overhaul public utilities and to combine or abolish certain state-run agencies. The president of Congress reiterated that view yesterday.

"It is generally acknowledged that President Jaime Lusinchi has made economic recovery a leading priority, and all of his efforts have gone towards creating more jobs and boosting output. Nevertheless, there are still some areas that I am sure are going to be acted on by the administration under the Enabling Law. The overhaul of public utilities, the merger of some government-run agencies and the abolition of others could be such areas. The time has come to assess the impact of his administrative programs."

As an example, Leandro Mora underscored that there are still ministries that could function perfectly well with half as many officials. In his judgment, personnel cutbacks should be made to achieve greater efficiency, not just to save money.

If the administration requested it, would Congress be willing to extend the life of the Enabling Law?

"There is the chance of an extension, but I very sincerely believe that the administration is not going to ask for one because it is going to make very intensive use of the remaining time that the law is in effect."

He indicated that he had great faith in President Lusinchi's capacity for hard work, trusting that during the remaining time that the law is in effect he will issue the decree-laws needed to round out his administration's program of action.

Caldera and Herrera Suffer from Memory Loss

Regarding the statements by Rafael Caldera to the effect that the 1st year of the AD administration has been distressing and former President Luis Herrera's remark about the administration ("Lots of feathers, not much meat"), Leandro Mora said that these views, with which he does not agree, "do not offer the optimistic message that the country is looking for."

He also noted that they reveal two things about memory: "First, both are forgetting that COPEI is the one most responsible for the condition in which the country was left. And second, they seem to think that the entire nation suffers from memory loss." He said that Herrera has a "mania for slogans."

Regaining Support

A reporter referred to the public opinion polls that show that the administration's image among Venezuelans has deteriorated considerably. Leandro Mora stated that the administration has taken very important and necessary steps to put the economy on a sound footing. He admitted that some of the are "obviously unpopular."

"I am sure that the administration will regain any support that it has lost when its economic policies begin yielding benefits soon."

CONSECOMERCIO's Views

Caracas EL NACIONAL in Spanish 18 Dec 84 p D-6

[Text] CONSECOMERCIO yesterday joined in the debate on the restoration of economic guarantees, voicing the view that the administration must move to restore them in order to bring about permanent stability for the Venezuelan economy.

The group's president, Frank de Armas, indicated in this regard that excessive discretionary authority for the government brings a lack of confidence. Thus, CONSECOMERCIO "advocates making the economy subject to the republic's constitution and laws and putting together the necessary legal framework in an economic transition period, which in our judgment could be done in 1985."

De Armas analyzed the situation as follows:

Today's crisis of confidence has been brought on by the legal grounds on which governments have suspended the economic guarantees set forth in Article 96 of the constitution. Abusing this power, they have issued more than 2,000 utterly inconsistent decrees across the entire economic policy spectrum.

Everything comes down to the 6 April 1962 resolution of the Congress of the Republic, which pursuant to the power vested in it by Article 243 of the Constitution of the Republic, revoked Decree 455 of 23 January 1961 and Decree 674 of 8 January 1962, which had suspended the guarantees set forth in Articles 60, 62, 63, 64, 66, 71, 92 and 96 of the National Constitution, thus restoring all constitutional guarantees to Venezuelans. It excepted Article 4 of Decree 674, however, which reads: "The guarantee established in Article 96 of the constitution is retained throughout the national territory to the extent determined by the president of the republic in session with the Council of Ministers." Governments have acted indiscriminately on the basis of this provision.

On the other hand, we see that Article 243 of the constitution stipulates that when the causes of the curtailment or suspension of guarantees have ceased to exist, the decree curtailing or suspending them must be revoked. The causes or motives "expressed" by the Executive Branch are closely linked to the political developments that took place in Venezuela between 1960 and 1964.

Since then the country has held five presidential elections, held congressional elections and strengthened its institutional system. The heads of the former guerrilla movements have joined the system, and their parties have been recognized and made legal. Additional evidence of the difference between the political climate of 1961 and that of 1983 is unnecessary. The difference is so striking that we will merely call attention to it.

It seems obvious, then, that we all agree that "the causes" set forth in Decree 455 of 23 January 1961 and Decree 674 of 8 January 1962 are a thing of the past. Nevertheless, some guarantees are still restricted while others are suspended on the basis of these, not other causes.

The constitution is clear and categorical: "A decree issued by the president of the republic suspending or restricting constitutional guarantees must necessarily 'express' the reasons on which it is based." It is not a question of whim, then. The reasons have to be explained, and explained they were.

Now that these reasons no longer apply, the president of the republic or Congress has to revoke the decrees restricting or suspending the guarantees. It is a mandate, an order. To do otherwise is unconstitutional. None of the grounds set forth in Decree 455 of 23 January 1961 or in Decree 674 of 8 January 1962 exists any longer. All of the grounds set forth in those decrees are a thing of the past, as Congress itself recognized in its resolution of 6 April 1962.

8743

CSO: 3348/288

VENEZUELA

NEW LAWS REPORTEDLY NEEDED TO RESTORE ECONOMIC GUARANTEES

Caracas EL UNIVERSAL in Spanish 19 Dec 84 p 2-1

[Article by Bernardo Fischer]

[Text] Planning and Coordination Minister Luis Raul Matos Azocar's proposal to restore economic guarantees in 2 years includes a package of economic laws that would establish a well-defined framework of action for both domestic and foreign private investment.

The program called for in the Seventh Plan of the Nation aims at freeing the forces of production, which is an indispensable condition for boosting the depressed employment level in the country.

CORDIPLAN [Office of Coordination and Planning] feels that before economic guarantees are restored, the government must enact five fundamental laws: on pricing, on foreign investment, on exchange controls, against monopolies and oligopolies and a general renter's law.

Under these five laws businessmen would have an assured climate for their investments and would need not fear a near-term decree or resolution that would upset their production or expansion plans.

The architects of this program have taken into account an element that the Executive Branch had previously not considered. A package of laws that will regulate economic life clearly will have an impact on inflationary pressures, inasmuch as businessmen will not be obliged to shorten their investment recovery time to offset risks.

In the event that the administration decides to restore economic guarantees in the near future, a high-level commission should be appointed to review all of the decrees that have been enacted since 1982, to ascertain whether they make sense and ought to be preserved in the form of laws.

All such interventionist mechanisms merely help to strengthen oligopolies, inasmuch as the restrictions harm only small and medium businessmen.

The designers of the CORDIPLAN program feel that starting in the 1970's and especially in the wake of the oil boom, a new class of businessmen arose who are not tied to the traditional private groups and who can expand their production infrastructure.

They note, however, that this new business class must have clear-cut ground rules in order to invest and prosper. Concurrently, the businesses that have operated for 25 years on the basis of import substitution and high tariff protection must start operating without "crutches" from the government so that new firms can be established.

Prices, Monopolies and Foreign Investment

The cornerstone of the Seventh Plan of the Nation is to give the private sector access to the whole range of economic activity in order to free up production forces.

This includes not just big business but small and medium industry (the hardest hit by the crisis) as well, plus the so-called Economic System of Cooperation, Joint Management or Third Form of Ownership, which merely means giving the workers (blue-collar, white-collar and technicians) access to various companies that are currently state-run.

To free up productive forces the CORDIPLAN experts plan to deregulate the Administered Pricing System and replace it with a clearly worded law.

Legislation should also be passed concerning oligopolies and monopolies, offering incentives for the emergence of new competitors. Such a decision is, in turn, tied to very specific legislation on foreign investment that would define areas, establish clear ground rules for repatriation and set exchange rates.

If CORDIPLAN achieves a consensus on the enactment of such laws, the feeling is that a decision to restore the economic guarantees set forth in the National Constitution could be made in 2 years.

Flexible exchange controls could be maintained in the form of a foreign exchange budget that would properly administer domestic economic growth.

They indicated that previously, under the free exchange rate system, there was inadequate information on industry's requirements in the area of foreign exchange, imports and inputs.

Over the past 22 months the administration has gathered enough information to plan domestic economic activities with a reasonable degree of certainty.

CORDIPLAN Proposes Evolution of Capitalist System

The CORDIPLAN experts feel that the Seventh Plan's corrections are an attempt to bring a more efficient and more modern capitalist system to Venezuela.

This implies that a free market and the unfettered workings of supply and demand will be encouraged, but controls will be maintained to deal with distortions such as oligopolies and monopolies. In this regard, CORDIPLAN is looking into the possibility of regulating prices to prevent action by industrial cartels.

"What CORDIPLAN is proposing," indicates a high-level spokesman from the office, "is an evolution of the capitalist system. This means strengthening the private sector, which consists of business and labor. This is why we speak of a traditional and a new private sector, inasmuch as this did not used to be taken into account. We think that such a system can be made more efficient and more just. This is why we are stressing the revocation of the restrictions on economic guarantees, because the sector that has been hardest hit by the government-imposed strictures has been not big capital but small and medium industry, which is unable to change course every day."

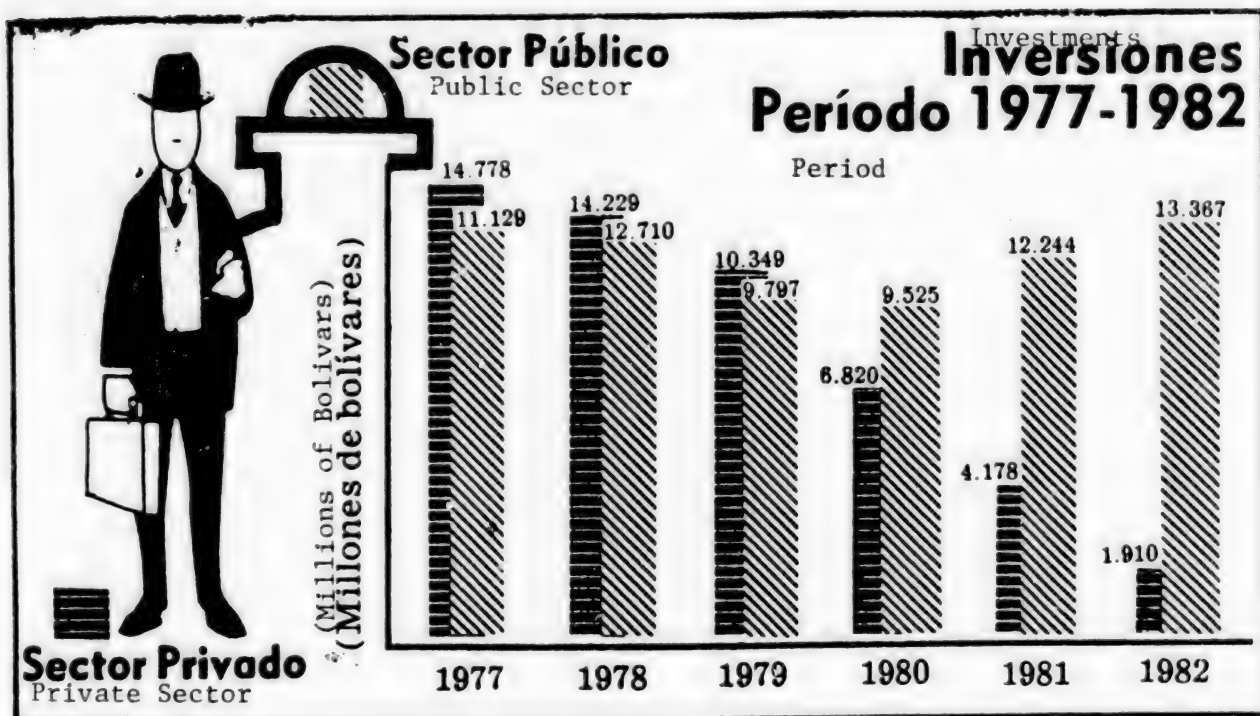
The Seventh Plan of the Nation, he explains, also calls for a better distribution of the wealth that is generated by the freeing up of production forces. It therefore includes measures such as the Shared Productivity Fund, the Economic Cooperation System and incentives for the companies that are not involved in the financial market to register with the Stock Exchange.

"Why the Seventh Plan's emphasis on the private sector?" asks a high-level government spokesman. "Simply because the top priority is to create jobs. The government has recently had to play the role of the big employer. In the recent post-oil boom era, however, private investment has obviously plummeted over the past 7 years. Job creation is fundamental to CORDIPLAN. It is essential, therefore, to pave the way for new companies so that job creation picks up in 2 years or so."

In 1972, private investment accounted for 65 percent of total investment, while the public sector accounted for the remaining 35 percent. Ten years later, the situation was exactly the opposite. In 1982, public investment accounted for 65 percent and private for 35 percent. And the trend worsened in 1983.

The goal of the Seventh Plan of the Nation is to create an average of 600,000 to 700,000 new jobs to cope with this dangerous legacy from the previous administration.

According to CORDIPLAN experts, the goal can be achieved only by laying the groundwork of a new capitalist system.



8743

CSO: 3348/288

VENEZUELA

MAS LABOR LEADERS ON CTV ELECTORAL SYSTEMS, 7TH NATIONAL PLAN

Caracas EL NACIONAL in Spanish 18 Dec 84 p D-5

[Text] The labor leaders of the party MAS [Movement Toward Socialism] will challenge the election regulations before the Ninth Congress of the CTV [Confederation of Venezuelan Workers] because they feel that they do not respect proportional representation for minority parties, the national union secretary, Arturo Tremont, has announced.

The debate between AD and COPEI over a supposed MEP [People's Electoral Movement]-COPEI alliance to control FEDEPETROL [Federation of Petroleum Workers] highlights the need for an in-depth review of the election mechanisms within the CTV.

"At the Ninth CTV Congress we are going to challenge and call for the abolition of the 'single' electoral code, which enables unions to proclaim single lists. This method in practice does away with minority representation and perpetuates leaders who have lost the support of the rank and file."

This kind of pact or alliance, Tremont indicated, as in the much talked about case of FEDEPETROL, would be of no major importance if there were not a tacit or unwritten agreement to honor the institutional positions of the two forces (AD and COPEI) as a reflection of the famous Punto Fijo Pact.

"During this period, instead of holding elections countless unions have called minority assemblies to reinstall incumbent leaders. If this method continues, there will be no modernization of or new blood in the labor movement, as the Eighth CTV Congress called for."

Consequently, one of the main obstacles to the idea of setting up national unions by branch of activity has been the resistance of the leaders who want to prevent challengers from emerging or who run the unions like their personal fiefdoms.

"We feel that the CTV must face up to this situation and devote the final stage of the upcoming Ninth Congress to bringing about the

organizational changes that were approved at previous national congresses so that the labor movement can meet the daily demands and aspirations of the workers as a social force of great importance in national life."

The Seventh Plan

Rafael de Franco, a member of the CTV's Executive Committee and also speaking on behalf of MAS, stated that the CTV ought to follow the guidelines of the Seventh National Plan, inasmuch as they consistently reflect the proposals in the Porlamar Manifesto.

"For the first time we have a plan that does not just indicate future economic trends or give a long list of public works to be undertaken. Instead, it charts a course of action for the government, spelling out economic, social and political problems and emphasizing the need for a political consensus and for an urgent reform of government."

In the Seventh Plan we have an assessment of Venezuelan society that delves into the crisis plaguing the current economic growth model, Venezuelan politics and the alarming spread of the social eyesores that are corroding our society: poverty, underprivileged conditions and social and economic backwardness.

Both the assessment and the conclusions of the Seventh Plan coincide with the groundwork for the Porlamar Manifesto's proposals. In the package of projects and courses of action, for example, we find that to boost economic growth it recommends the creation of a cooperative system with such major reforms as worker involvement in running companies through joint management or other types of social ownership, as well as proposals on accelerated social development as the basis for greater social justice and, lastly, a political strategy that calls for the intensification of political democracy.

"The guidelines of the Seventh Plan ought to be taken up as the basis or platform of action of the labor movement and even in the search for a national accord to tackle the crisis."

8743

CSO: 3348/289

VENEZUELA

CANACHE MATA ON CALDERA'S STATEMENTS, LUSINCHI'S POLICIES

Caracas EL NACIONAL in Spanish 19 Dec 84 p D-3

[Article by Mario Villegas]

[Text] Carlos Canache Mata says that former President Rafael Caldera is right when he speaks about the proliferation of presidential candidates in Democratic Action (AD). The leader of the Social Democratic congressional bloc contends that there are many stars in the AD sky.

"The same cannot be said about COPEI. Its sky is big enough for just a single sun. That's why the phenomenon of proliferating presidential candidates cannot happen in that party. COPEI's sacred Scriptures have it written already: the candidate in 1988 will be Dr Caldera, who will be running for president for the sixth time," Canache Mata said yesterday in a talk with a group of newsmen.

Canache Mata disagreed roundly with the former president's remarks to the effect that the first year of the AD administration has been distressing. The AD leader said that what has happened is that Caldera ("whose knowledge in the humanities I am the first to acknowledge") has lately somewhat neglected his reading on domestic economic issues. An example of such neglect, he said, was the former president's assertion that the agreement reached with international banks on rescheduling the foreign debt was subject to the approval of the IMF.

While Caldera was making that statement, Canache Mata added, the economist Mauricio Garcia Araujo was categorically pointing out, in contrast, that because Venezuela did not have to resort to new loans to reschedule its foreign debt, it did not have to meet the demands and conditions that the IMF traditionally imposes and that countries like Mexico, Argentina and Brazil have had to fulfill.

He also indicated that anyone who takes a look at what is happening in the Venezuelan economy can see perfectly well for himself that we are not at all following IMF prescriptions.

As examples he pointed out that in a crisis like the one besetting the country the IMF recommends decontrolling imports, in contrast to which Venezuela is controlling imports strictly, and it also suggests decontrolling prices, whereas Venezuela has set up the Costs, Prices and Wages Commission, which has frozen the prices of commodities and basic services. He also noted that the IMF recommends a single exchange rate and an across-the-board devaluation, whereas Venezuela has a differential exchange rate system that will gradually lead to a unified exchange rate. He offered many such examples.

"So how is the debt rescheduling that President Lusinchi achieved tied to the IMF?" Canache Mata asked former President Caldera.

The Administration Has Done What It Could

Assessing the first 11 months of President Lusinchi's administration, Canache Mata said that although the results have not been as good as we might have wished, "they were all that could be achieved given the difficult situation in which we have had to operate." By his account, a marvelous looking balance sheet was not to be expected, inasmuch as AD took over a country with a large consolidated public sector deficit, with a payments imbalance, with rapidly shrinking international reserves, with a \$27 billion public debt, with a tattered image in international financial circles, with more than a million people out of work, with disguised inflation and with an overvalued bolivar "the correction of which necessarily boosted production costs and, consequently, the cost of living."

Canache Mata asserted that the picture has changed for the better. He contends that the deficit of the consolidated public sector has been paid off, that the country's payments have been balanced and a more than \$2 billion surplus posted, that international reserves have risen to over \$12 billion, that an agreement to reschedule the foreign debt was hammered out, that the uptrend in unemployment has been halted, that inflation has been kept between 13 and 15 percent, and that some sectors of the economy have been reactivated.

He indicated that the plan for 1985 is to reactivate the domestic economy by pursuing expansionary fiscal, monetary and financial policies. In 1984, he noted, "for fear of runaway inflation and overseas capital flight, a cautious monetary policy was pursued, so much so that the money supply expanded by only 3 percent, when as we know the economy normally requires a year-to-year increase in the money supply of 10 to 15 percent." He said that the utilization of the operating capacity of the country's manufacturing industry rose 12 percent from 55 to 67 percent.

He added that it is hard to believe that if this happened with an increase in the money supply of just three percent in 1984, idle capacity will not shrink considerably when we move from a tight to an expansionary monetary policy.

"Based on all of the above, we can look to the future with realistic optimism. Owing, of course, to the structure of our economy, the future will in any event depend on the outlook in the international oil market, where predictions often fall flat even if they have been made by very good forecasters."

8743

CSO: 3348/289

VENEZUELA

COPEI LEADER CRITICIZES ADMINISTRATION'S 1984 PERFORMANCE

Caracas EL UNIVERSAL in Spanish 21 Dec 84 p 1-14

[Article by Alirio Bolivar]

[Text] Former President Rafael Caldera's assessment of the AD administration's performance is an accurate reflection of what is happening in the country, said Abdon Vivas Teran, the head of the COPEI congressional bloc.

He added that if Venezuelans judge by the expectations that the administration began raising on 4 December 1983, then it is quite valid to assess its performance as very poor.

The administration has had all the tools in its hands to begin an economic recovery and a general reform of politics in the country, but it has not done so. He recalled that President Jaime Lusinchi's administration has more political power than any other administration to date, as reflected in absolute control over the executive, legislative and judicial branches and over congressional agencies such as the Office of Attorney General of the Republic, the General Comptroller's Office, the Supreme Court and the Council of the Judicature. As if this were not enough, we should add its control over legislative assemblies and city councils.

Moreover, the legislature passed the administration's Enabling Act, which was regarded as indispensable for getting the economy moving again, and the Costs, Prices and Wages Act, which was portrayed as the solution to the serious problems of inflation, the high cost of living and declining purchasing power. It also passed the administration's 1985 budget of 103 billion bolivars. In addition to these powers, we should take into account its economic and financial influence, because by devaluing the bolivar by an average of 70 percent last February it has managed to accumulate more than 100 billion bolivars.

There is a feeling of tremendous frustration in the country in spite of all this government power. Former President Caldera speaks of a distressing panorama, which is an apt expression because it is

distressing to see that with all its available resources the administration has been unable to achieve the goals that it pledged to achieve during the 1983 election campaign.

"So as not to use arguments that the administration might regard as inventions of the Social Christian opposition, the best approach is to cite the indices of the country's social and economic activity, as reflected in the guidelines of the Seventh Plan of the Nation. This document shows that the program of economic adjustments that President Jaime Lusinchi has implemented has yielded tragic results."

The COPEI economist explained that according to the guidelines of the Seventh Plan, the gross domestic product declined by two percent; the unemployment rate rose to 14.5 percent (it stood at 13 percent when President Lusinchi took office) and is still rising even after the administration said it spent 2 billion on special programs, and the inflation rate stands at 15 percent though it will probably average 20 percent for the entire year.

As we can see from these numbers, the adjustment program has been a resounding failure; the country is unquestionably poorer than before, and the recession is dragging on mercilessly.

The administration has cited two economic indicators that it is worthwhile discussing. First, they pat themselves on the back in claiming that the public sector has posted a surplus equivalent to four percent of the GDP. This is a fallacy, in the words of Carlos Andres Perez, because their argument is based on a big lie. The surplus is due not to austerity policies or lower current spending but rather exclusively to the manipulations of the value of the bolivar in relation to the dollar this year.

The surplus is the logical outcome of the devaluation policy and has no real significance, because government has not improved, is no more honest and does not spend its money more productively, and the administration ought to be the first to realize this and not go around fooling itself. The most dangerous thing about Dr Gonzalo Barrios's statements is that they show that the administration is kidding itself and, therefore, that it is not going to correct the mistakes that it has made so far.

"The other point that I want to refer to is the increase of just four percent in the money supply so far, according to the CORDIPLAN [Coordination and Planning Office] document. This is basically why inflation, which is already very high at 20 percent, will not go higher. When the money supply is reined in so severely, inflation is obviously going to rise more slowly. If the money supply had expanded by 15 percent to meet the economy's normal needs, then inflation would probably have been twice or three times higher. So again we are looking at an artificial control of inflation that has a serious side effect, because when the money supply does not grow fast enough, the chances for economic recovery diminish since there is a loan crunch, which means that economic activity tends to slow."

He said that the country in general is in a truly worrisome situation, according to the statements by ministers, who are probably preparing the public psychologically for the poor economic policy performance that the administration expects in 1985. "I assume that the development minister said that things are not as bad as Luis Raul Matos Azocar and Octavio Lepage say they are because he wanted to balance out expectations."

"As far as politics in general are concerned, I think that if Democratic Action manages to settle its internal strife over control of the party, the presidential nomination and the conflict between the administration and the party and above all if it succeeds in overcoming its longstanding totalitarian, clannish temptation, it can begin governing well again.

"I would also like to comment on reaction to former President Rafael Caldera's statements concerning the intervention of the IMF in Venezuela's domestic economic affairs. According to reports from international news agencies, the IMF is very happy with the country's economic policies. And with good reason, because even though the administration has not officially agreed to the restrictive policies that it usually recommends and has not signed a letter of intent, the fact is that the administration has been steadily pursuing IMF policies. Unfortunately, the only measure that it has not applied and that is highly recommended is to cut back government spending.

"I tend to think that former President Caldera is right once again, because the International Monetary Fund has more of a presence in Venezuela than ever, even though the Venezuelan Government does not want to admit it. We have to remember that under the rescheduling program the administration promised to accept two IMF visits a year, instead of one, to review how the economy is doing. If this is not dependence, then what are we supposed to call it?"

8743

CSO: 3348/289

VENEZUELA

FORMER ENERGY MINISTER ON OPEC, FIV, OTHER ISSUES

Caracas EL NACIONAL in Spanish 21 Dec 84 p D-1

[Article by Ramon Hernandez: "Quickly Regaining Credibility"]

[Text] If Venezuelan democracy does not manage quickly to solve the problem of running the state enterprises, that will be its undoing. The system gets closer to stages of major instability with each passing day. The tensions are going to increase due to the lack of resources that are going to drain those enterprises if they are to function. And that cannot be.

Humberto Calderon Berti, the former minister of energy and mining and a former president of Petroleum of Venezuela, is not at all optimistic about the results of the OPEC meeting being held in Geneva, nor about an economic improvement in Venezuela starting next year.

"There is every indication that the international petroleum situation is more complicated in 1985 than it was in 1984. That could mean a substantial drop in foreign exchange earnings. When the output ceiling was lowered from 17.5 million barrels per day, where it was in 1983, to 16 million barrels per day, then something is happening that should not happen because during those months the ceiling should instead be raised. That was a quarter with a high demand. The logical thing was that the demand should go up but this did not happen. And I said that, if the cut happens in November and December, then it is foolish to think that it will be possible to increase the output in February and March because it will have to be reduced for seasonal reasons. The conclusion is that this cut will continue in terms of time far beyond what we expected and that its effect will make itself felt on the country's foreign exchange income. I said that and people called me apocalyptic."

"Will next year be terrible?"

"That is the way things are headed. It will be a difficult year. Minister Hernandez Grisanti turned out to be extremely optimistic and announced price rises every week which never came through; this was rather unwise and the truth is that the situation is difficult. We must alert the country so that it may get ready for its moment of truth which

could come in February, March, or April of this coming year. If the situation is complex now, then it will be much more complicated next year."

"What are the reasons for this crisis?"

"There are many explanations. After the increases in 1979 and 1980, which were very high, the industrialized countries, through the International Energy Agency, did what they had to do and they got ready. Besides, petroleum is being replaced with other, cheaper energy sources, such as coal. Another thing is the appearance of new producers, so that the market has declined; but it declined much more for OPEC. The OPEC has lost the role it played and the space it took up on the international petroleum market."

"Is this due to the political game that was being played against OPEC?"

"That introduces some rather dangerous implications. We are a large group of producing countries, some of which are members and others are not, and we have an extremely high foreign debt and our payment capacity is closely tied to our capacity to export petroleum. If the international petroleum market grows weaker and forces us to export less, or to sell petroleum cheaper, then our capacity to pay diminishes also. This is rooted in the international financial system. If petroleum does down, this may produce a snowball effect and the price could drop below \$25. Could the debtor countries risk their domestic stability to pay under those circumstances? And if they do not pay, this would signify the complete collapse of the international financial system and this is something which the industrialized countries have to be aware of. Not everything is in favor of the industrialized countries."

"What would the solution be?"

"Circumstances have forced us to tackle the problem in short-range terms and we disregarded the long-range strategic view. We would have to establish some rules of the game that would give the consumer security and reliability and that would enable us to have a relatively firm idea as to the tendencies in the matter of prices. Unfortunately, some of the OPEC member countries were rather short-sighted. Now it has been proposed that OPEC strategy have the objective of restoring the importance of petroleum as an energy source. That has to be the strategy."

"How?"

"The only way is to keep the price where it is over several years to make it possible for inflation to erode the price in real terms and progressively to restore competitiveness of petroleum as against other energy sources. So long as there are other, cheaper energy sources, less petroleum will be imported on the energy market. This will take several years but when the situation changes, we exporters would make

a serious mistake if we were to go back to making extreme increases in petroleum prices. The lesson to be learned from this is that moderate price increases are preferable."

"And will the competitors of OPEC do the same thing in long-range terms?"

"Great Britain and Norway will continue to be major producers over the next 10 years; but after that there will be a drop in their output potential because their reserves will be running out. Not all OPEC countries face the same situation as regards the future and that makes it much more difficult to draft a long-term strategy. The long-range interests do not coincide because the amount of their reserves differs greatly. The central problem concerns the next several years because, to enable the OPEC to develop with some margin of comfort, it would have to produce around 22-24 million barrels per day at current prices. Those 16 million barrels per day constitute a figure that one can live with for a short period of time; but this cannot continue because some countries have a heavy debt pressure, there is pressure from population growth, while other countries will find their resources abroad running out."

He emphasized: "The problem will be serious over the next several years except if unforeseen things occur in terms of conflicts in areas that are important from the international petroleum viewpoint."

And the situation is even more serious because OPEC has lost credibility.

"An organization that says that it will produce 16 million and really produces that amount is one thing but an organization that specifies a certain quantity and does not produce it is another thing. OPEC's biggest problem is its lack of credibility and the best alternative is to leave things as they are. Leave production at 16 million barrels per day, make a tremendous effort so that the output quota commitments are complied with, and maintain the prices."

"But if prices go down, petroleum will compete faster with coal."

"The main purpose is always to produce what the market requires. Cutting prices does not stimulate the demand because the industrialized countries raised taxes and then there was the devaluation of the currencies as against the dollar. The ultimate consumer did not benefit. When the price of petroleum was cut, the public continued to pay the same for gasoline."

The time to come will not be good and, to make things worse, the measures planned by Venezuela for bad times have lost their effectiveness.

"We established the Investment Fund of Venezuela, basically aimed at protecting the country when the situation on the petroleum market changes in an unfavorable way. That role was played for some time but

it became a financial institution to give loans to enterprises of the Venezuelan state. But those enterprises did not produce the expected results and it was impossible to meet the commitments to the FIV /Investment Fund of Venezuela/ so that the only thing the latter could do was to capitalize the debt in those enterprises. The FIV thus owns all of them, minus the petroleum industry. The role of the FIV was distorted and now, instead of being a source of dividends, it is a bottomless pit."

"What is the solution?"

"Get rid of those enterprises quickly."

"But we would be denationalizing them."

"Those are mistaken criteria. The only enterprises that must remain in the hands of the state are those that are of a strategic nature for the country, such as the petroleum industry, and those enterprises where the common good depends on them."

"What might happen during this meeting of the OPEC?"

"Nothing major should happen. They will not be able to change the output figure; perhaps they will call a meeting at the end of January to change the output ceiling if necessary. Right now, it would not be wise to change it. The same thing might happen with prices, but that would make more sense."

As for Venezuelan heavy crude, Calderon Berti maintains that they have to be handled competently, with common sense, and with sound judgment.

"There is no heavy crude in OPEC similar to the kind of crude which we in Venezuela categorize as heavy. Venezuela's only competitor is Mexico and if they try to line up our heavy crude prices with OPEC light crude prices, then they push us out of competition with Mexican crude and they push us out of competition with the medium and light crude of the rest of the OPEC and that would frankly be inconvenient for Venezuela's interests."

"Will this OPEC meeting not clear the situation up?"

"There is no easy short-term way out of this situation. Abandoning OPEC would be senseless. It would be a very strong blow to the organization and without OPEC there would be anarchy and we would become involved in a kind of price war and it would be impossible to reconcile the interests of the various producers. OPEC is not an element of moderation, stabilization, and balance at this time of great difficulties."

5056

CSO: 3348/271

VENEZUELA

COMPLETION OF ROAD ALONG VENEZUELAN GULF URGED

Caracas EL NACIONAL in Spanish 18 Dec 84 p D-15

[Text] Maracaibo, 17 Dec (Special)--The landing of three Colombian Air Force helicopters in Castilletes has been interpreted by various circles here as illustrating the state of neglect that characterizes major roads that ought to make travel through this part of Venezuela trouble-free and that would facilitate the defense mission of the National Armed Forces.

Work was halted on the road from Los Filuos to Castillete even though it had been more than half completed. Transport and Communications Ministry officials confirmed that 58 kilometers of the road have been built at a cost of 60 million bolivars. Forty-nine kilometers remain on the 107.7-kilometer thoroughfare that will link the Upper Guajira with the rest of Zulia State.

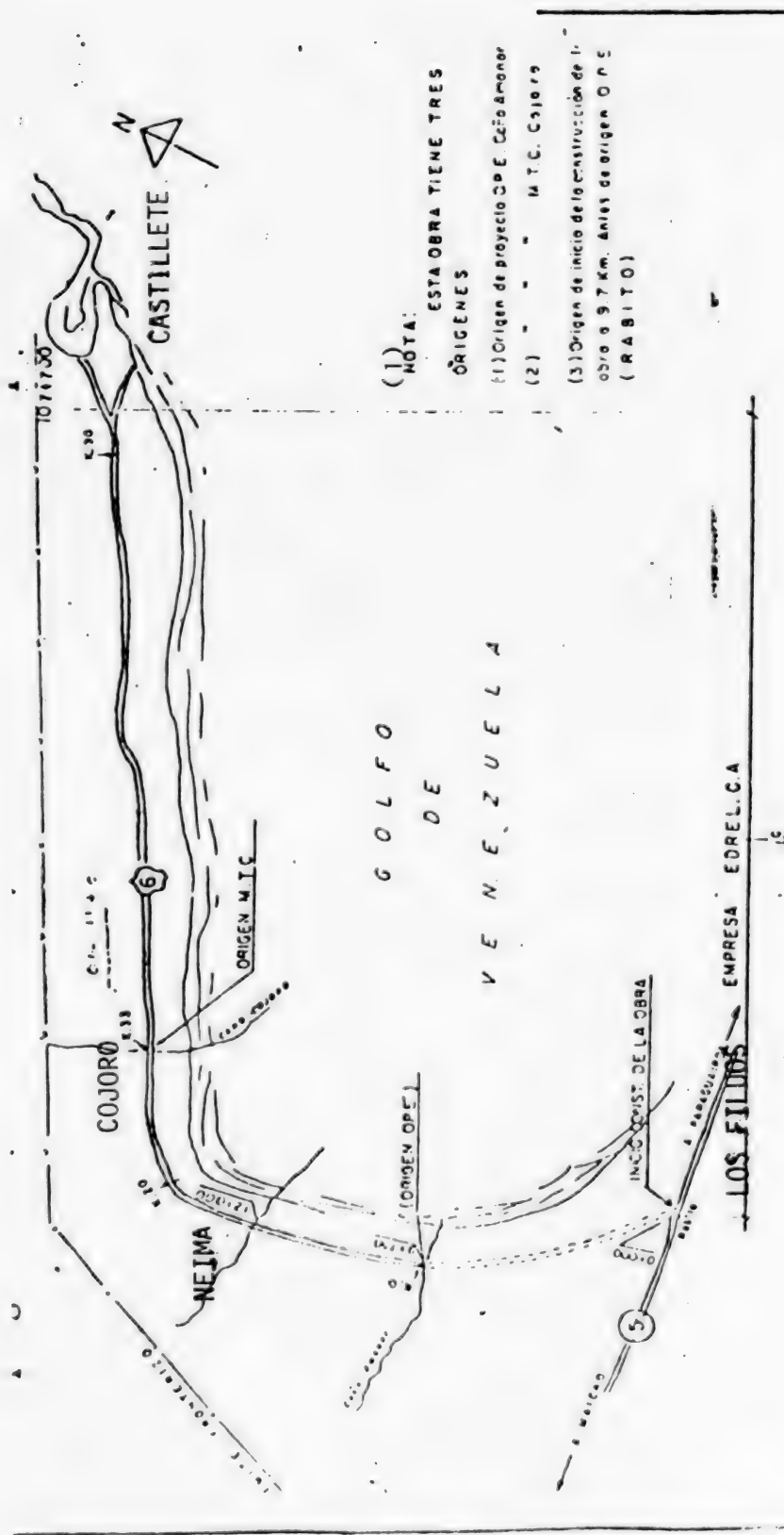
Another of the project's benefits is that it will facilitate the mission of the Venezuelan Armed Forces.

Heavy equipment is currently in storage in Cojoro, which explains why work on the road was halted more than a year and a half ago, it was learned.

The project, including the bridges, was budgeted at 148 million bolivars. Some 60 million has been spent to build 58 kilometers. There are 88 million bolivars left to build the remaining 49 kilometers. The road will extend to Castillete, the area that three Colombian Air Force helicopters violated for 20 minutes.

There is also an abandoned camp in Cojoro that belonged to the Venezuelan Armed Forces.

In addition to helping to safeguard the nation's sovereignty, the Los Filuos-Neima-Cojoro-Castillete highway will promote tourism to the shores of the Gulf of Venezuela, where there are very beautiful beaches.



The sketch shows the Los Fillos-Neima-Cojoro-Castillete road and the distance between it and the border and the shoreline.

- Key:
- 1. Note: The project has three starting points: (1) OPE Cano Amonor, (2) MTC Cojoro, and (3) 9.7 kilometers before the OPE starting point (Rabito)

Across the border, the Colombian Government is building a highway parallel to the border at the urging of the senator from the department of La Guajira, Eduardo Abuchaiba Ochoa, who is also a ranking member of his country's Congressional Defense Committee.

Abuchaiba Ochoa recently told international news agencies that his country had to better safeguard its sovereignty along the border with Venezuela.

8743

CSO: 3348/291

VENEZUELA

ZULIA GOVERNOR, MILITARY OFFICIALS SURVEY BORDER REGION

Caracas EL NACIONAL in Spanish 19 Dec 84 p D-1

[Text] Castillete, 18 Dec (Special)--The governor of Zulia, Professor Angel Zambrano, and the region's superior military command, headed by Gens Edgar Hernandez Ortega (army) and Octavio Serrano Gualdron (National Guard), today visited this remote border area in the Upper Guajira, where last Thursday the occupants of three Colombian military helicopters searched the civilian camp that Corpozulia maintains there.

The governor and the ranking officers inspected the boundary and flew over Cocinetas Lagoon, where important ecological and hydrological research is being conducted the findings of which will be released during the first quarter of next year.

The officials observed that boundary stone number one, which is by the Caribbean shore, has been gradually damaged, probably by the elements, but they have not ruled out vandalism by as yet unidentified individuals.

They also observed the marks left in the sandy soil by the three military helicopters from which some 20 troops disembarked under the command of a captain.

Eduardo Balzan and Domingo Cardenas, Corpozulia employees, repeated what has already been reported, namely that the troops were aware that they were violating Venezuela's territorial sovereignty.

Eduardo Balzan said that the officer in command of the troops told him that they were interested in finding out the use to which the camp was being put.

"At no time did they say that they were after drug traffickers," asserted Eduardo Balzan, a 65-year old electrician.

The two workers related that by the time that the National Guard troops stationed at the Castillete post learned of the incursion and set out to verify it, the Colombian soldiers had already left.

The workers acknowledged, however, that the Venezuelan troops proceeded with care and dispatch.

DISIP [Directorate for Services of Intelligence and Prevention] in Action

A DISIP commission conducted an exhaustive investigation into the incident from last Thursday night until today. It was under the direction of a police commissioner.

It was learned that drug traffickers have several clandestine landing strips just across the border from Castillete.

Zulia Governor

At Castillete, where Venezuelan soil is said to begin and end, the governor of Zulia, Professor Angel Zambrano, acknowledged the efforts that the various units of the Venezuelan Armed Forces are engaged in to defend the nation's sovereignty.

Zambrano said that the new military post at Castillete would tighten surveillance and announced that the installations would be improved and better outfitted in the future.

He said that the Venezuelan border is very extensive in the region (some 700 kilometers from Castillete to Boca de Grita) but that the National Armed Forces are doing an efficient job and, therefore, that there is no cause for concern about our sovereignty.

The governor announced that the findings of the scientific studies being conducted in Cocinetas Lagoon on the border would be made public soon. This body of water is vital to Venezuela's sovereignty there. He also mentioned infrastructure to give the region new life.

Separately, economist Clara Perez, a Corpozulia manager, reported that a 500-million bolivar loan is on the way and will be invested in several basic projects for the Venezuelan towns on the border with Colombia. He commented that the loan proceeds, which the governor's office will manage, would give rise to programs that have already been coordinated with all of the regional government's consulting agencies.

She did not rule out that this might be the source of the funding needed to complete the Los Filuos-Neima-Cojoro-Castillete highway, a 100-kilometer long thoroughfare whose final stretch parallels the border with Colombia.

8743

CSO: 3348/291

VENEZUELA

BRIEFS

BANK ADVISORY COMMITTEE VISIT--The three coordinators of the Bank Advisory Committee, Francis Mason (Chase Manhattan Bank), Richard Bloome (Bank of America), and Michael Hunter (Lloyd Bank of London) met yesterday with Finance Minister Manuel Azpurua Arreaza and with Central Bank of Venezuela President Benito Raul Losada to analyze the progress of interest payments on the foreign private debt, which is the main source of controversy during the post-refinancing stage. As it turned out, the representatives of the creditor bank admitted that the executive branch simplified some of the procedures for the recognition and subsequent payment of interest on the private debt. However, they expressed their concern because there has been no cash flow as yet. According to official estimates, interest payments on the private debt will make substantial progress by the end of the year due to the new system of prior notice but the administrative process is still in the trial phase. The visit by the coordinators from the advisory committee, or cochairmen, is in keeping with the pledge made by the executive branch in connection with the last deferment to provide detailed information on the measures that are being adopted to recognize the private foreign debt. A report, scheduled for the beginning of January, is still outstanding for the purpose of studying the actual flow of interest payments in this area since there is as yet no full coincidence between the approval of the payments and their actual disbursement. The central problem is this: Since 22 September, due to the difficulties in the matter of private interest payments, the bank advisory committee has considered it unwise to settle the terms of the refinancing agreement since it may be rejected by some banks that are affected by these delays which go on much beyond 2 years. However, the executive branch, together with the Central Bank of Venezuela, has managed to find out that the amounts do not reach the previously estimated figures. Many private sectors have opted to pay their interest with dollars acquired on the open market, which means that the state has commitments to the Venezuelan business operator but not to the creditor bank. The three bankers will return to the United States today. /Text/ /Caracas EL UNIVERSAL in Spanish 18 Dec 84 p 1-1/ 5058

COPEI CONGRESSMAN ON ECONOMIC POLICY--If the administration reorients its economic policy, the country can get out of the state of recession

in which it finds itself, it was remarked by Abdon Vivas Teran. He also said that the country has sufficient resources and opportunities to restore its economy. In the opinion of this member of parliament, the restrictions on monetary policy, the growth of liquidity by 4 percent, over the past 10 months of the Lusinchi administration, and the maintenance of a high surplus were elements that worked against the country's economic expansion. "The Enabling Law was not used to expand but rather to restrict. All of this explains why unemployment went up and inflation reached 20 percent." In 1985, the administration must launch a policy of expansion and increase in the added demand through an investment program for the public sector and incentives for the private sector." He added that the administration must pay special attention to the agricultural sector, construction, and small and medium enterprises which in recent times had been completely abandoned. "The administration has the key to economic recovery. It has the political power it needs and it has sufficient treasury resources. So, what it has to do is to take the measures necessary to resume growth within the context of the fair distribution of the product." In the opinion of Vivas Teran, the industrial sector has been one of the few sectors that saw its output go up even in the midst of the country's severe economic depression. On the other hand he talked about the \$32 billion which the private sector has in financial assets abroad: "If we look at the balance of payments statement--in the BCV /Central Bank of Venezuela/ report--for the period of 1978-1983, under the short-term private capital heading, we find a negative balance of \$24.4 billion, and in the errors and omissions account, there is a balance of \$7 billion. This is why those who control capital in Venezuela have financial assets abroad on the order of \$32 billion and that is almost the entire Venezuelan public debt." He also said that the Social Christian Party does not share the vision of the prophets of disaster--Matos Azocar and Lepage, according to Teran--but that, on the contrary, it believes in the feasibility of the country's economic recovery. /Text/ /Caracas EL UNIVERSAL in Spanish 17 Dec 84 p 1-23/ 5058

BORDER POST REACTIVATED--Castillete, Zulia, 18 Dec (special correspondents)--Maj Gen Jose Angel Marchena Acosta, the operations commander of the Armed Forces of National Cooperation, said here in this border area that the activation of the command post at Castillete is fundamental to the National Guard because it once again reaffirms the presence of the nation's Armed Forces in a remote corner of the country. The new lookout unit was inaugurated 72 hours after the incident involving three Colombian military helicopters in this area of Venezuela. Newsmen asked the major general whether this single post would be able to prevent foreign aircraft from violating Venezuelan air space, as happened this past 13 December. "It is impossible to give an absolute guarantee. What we can say is that with this unit we are in a better position to monitor such incidents before they happen or once they have happened," Maj Gen Jose Angel Marchena Acosta replied. The major general said that the post is equipped with every communications facility and with other devices that it

needs for full operations. "General, will the helicopter incident affect the agreements that the two countries signed to combat drug trafficking?" "I don't think so. The defense minister has spoken enough about the matter already. I think that he has spoken quite clearly and that as the only authorized spokesman of the Armed Forces, he is the only person who can discuss this matter." "Are other border posts planned on our side?" "In addition to the one at Castillete, others will be activated in the Apure area and in the Amazon region. Other similar units are about to be opened in border villages in Bolivar State." "What is the status of the plan to activate new border detachments?" "As you know, the country is going through economic difficulties, and rather than setting up new units, we are interested in better outfitting the ones we have." [Text] [Caracas EL NACIONAL in Spanish 19 Dec 84 p D-1] 8743

CSO: 3348/291

END

END OF

FICHE

DATE FILMED

26 Feb 1985